



Department of the Treasury  
Internal Revenue Service

## Publication 918

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# Drafts of Worksheets in IRS Publications

For use in preparing

## 2003 Returns

(January 2004)

### **Caution: DRAFT WORKSHEETS**

This publication contains early release drafts of selected worksheets from IRS taxpayer information publications. The worksheets are subject to change before they are officially released. The drafts will appear only on the Internet.

If you have comments on any of the draft worksheets, you can submit the comments to us on our web site. Include the word DRAFT in your response and the "Proof as of" date. You may make comments anonymously, or you may include your name and e-mail address or phone number. We cannot respond to all comments due to the high volume we receive. However, we will consider each suggestion carefully.

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## Introduction

This publication contains draft worksheets from IRS taxpayer information publications (TIPs) for tax year 2003. We are making these drafts available to help you plan for the coming filing season. This publication is available only on the Internet.

The worksheet or table number shown on these worksheets relates to the publication that contains the worksheet. The status of the worksheet will be shown in the overlay. For example, the worksheet may show "PROOF AS OF JULY 25, 2003 (subject to change)."

A new version of a worksheet will be posted only if there is a change in the computation. When there is a final version of a worksheet, the draft version will be removed from this publication. To find the final version of a worksheet, see the publication containing the worksheet.

# Publication 503

## Worksheet 1. Worksheet for 2002 Expenses Paid in 2003

(Note: Use this worksheet to figure the credit you may claim for 2002 expenses paid in 2003.)

1. Enter your 2002 qualified expenses paid in 2002 ..... 1. \_\_\_\_\_
2. Enter your 2002 qualified expenses paid in 2003 ..... 2. \_\_\_\_\_
3. Add the amounts on lines 1 and 2 ..... 3. \_\_\_\_\_
4. Enter \$2,400 if care was for one qualifying person (\$4,800 if for two or more) ..... 4. \_\_\_\_\_
5. Enter any dependent care benefits received for 2002 and excluded from your income (from line 20 of 2002 Form 2441 or Schedule 2 (Form 1040A)) ..... 5. \_\_\_\_\_
6. Subtract amount on line 5 from amount on line 4 and enter the result ..... 6. \_\_\_\_\_
7. Compare your earned income for 2002 and your spouse's earned income for 2002 and enter the smaller amount ..... 7. \_\_\_\_\_
8. Compare the amounts on lines 3, 6, and 7 and enter the smallest amount ..... 8. \_\_\_\_\_
9. Enter the amount on which you figured the credit for 2002 (from line 6 of 2002 Form 2441 or Schedule 2 (Form 1040A)) ..... 9. \_\_\_\_\_
10. Subtract amount on line 9 from amount on line 8 and enter the result. If zero or less, stop here. You cannot increase your credit by any previous year's expenses ..... 10. \_\_\_\_\_
11. Enter your 2002 adjusted gross income (from line 35 of your 2002 Form 1040 or line 21 of your 2002 Form 1040A) ..... 11. \_\_\_\_\_
12. Find your 2002 adjusted gross income in the 2002 table of percentages shown below and enter the corresponding decimal amount here ..... 12. \_\_\_\_\_

IF your adjusted gross income is:		THEN the
Over	But not over	percentage is:
\$ 0	\$10,000	30%
10,000	12,000	29%
12,000	14,000	28%
14,000	16,000	27%
16,000	18,000	26%
18,000	20,000	25%
20,000	22,000	24%
22,000	24,000	23%
24,000	26,000	22%
26,000	28,000	21%
28,000	No limit	20%

13. Multiply line 10 by line 12. Add this amount to your 2003 credit and enter the total on line 9 of your 2003 Form 2441 or Schedule 2 (Form 1040A). Write the following on the dotted line next to line 9 of Form 2441 or in the space to the left of line 9 on Schedule 2 (Form 1040A):

- "CPYE"
- The amount of this credit for a prior year's expenses
- The name and taxpayer identification number of the person for whom you paid the prior year's expenses .....

13. \_\_\_\_\_

# Publication 523

## Worksheet 1. Adjusted Basis of Home Sold

**Caution:** See Worksheet 1 Instructions *before you use this worksheet.*

1. Enter the purchase price of the home sold. (If you filed Form 2119 when you originally acquired that home to postpone gain on the sale of a previous home before May 7, 1997, enter the adjusted basis of the new home from that Form 2119.) . . . . . **1.** \_\_\_\_\_
2. Seller paid points for home bought after 1990. (See *Seller-paid points*.) Do not include any seller-paid points you already subtracted to arrive at the amount entered on line 1 above . . . . . **2.** \_\_\_\_\_
3. Subtract line 2 from line 1 . . . . . **3.** \_\_\_\_\_
4. Settlement fees or closing costs. See *Settlement fees or closing costs*. If line 1 includes the adjusted basis of the new home from Form 2119, go to line 6.
  - a. Abstract and recording fees . . . . . **4a.** \_\_\_\_\_
  - b. Legal fees (including title search and preparing documents) . . . . . **4b.** \_\_\_\_\_
  - c. Surveys . . . . . **4c.** \_\_\_\_\_
  - d. Title insurance . . . . . **4d.** \_\_\_\_\_
  - e. Transfer or stamp taxes . . . . . **4e.** \_\_\_\_\_
  - f. Amounts that the seller owed that you agreed to pay (back taxes or interest, recording or mortgage fees, and sales commissions) . . . . . **4f.** \_\_\_\_\_
  - g. Other . . . . . **4g.** \_\_\_\_\_
5. Add lines 4a through 4g . . . . . **5.** \_\_\_\_\_
6. Cost of additions and improvements. Do not include any additions and improvements included on line 1 above **6.** \_\_\_\_\_
7. Special tax assessments paid for local improvements, such as streets and sidewalks . . . . . **7.** \_\_\_\_\_
8. Other increases to basis . . . . . **8.** \_\_\_\_\_
9. Add lines 3, 5, 6, 7, and 8 . . . . . **9.** \_\_\_\_\_
10. Depreciation, related to the business use or rental of the home, claimed (or allowable) . . . . . **10.** \_\_\_\_\_
11. Other decreases to basis (see *Decreases to basis*.) . . . . . **11.** \_\_\_\_\_
12. Add lines 10 and 11 . . . . . **12.** \_\_\_\_\_
13. **ADJUSTED BASIS OF HOME SOLD.** Subtract line 12 from line 9. Enter here and on *Worksheet 2*, line 4 . . **13.** \_\_\_\_\_

# Publication 523

## Worksheet 2. Gain (or Loss), Exclusion, and Taxable Gain

### Part 1 – Gain (or Loss) on Sale

- |    |  |    |       |
|----|--|----|-------|
| 1. | Selling price of home . . . . .  | 1. | _____ |
| 2. | Selling expenses . . . . .   | 2. | _____ |
| 3. | Subtract line 2 from line 1 . . . . .  | 3. | _____ |
| 4. | Adjusted basis of home sold (from <i>Worksheet 1</i> , line 13) . . . . .  | 4. | _____ |
| 5. | Subtract line 4 from line 3. This is the <b>gain (or loss)</b> on the sale. If this is a loss, stop here . . . . . | 5. | _____ |

### Part 2 – Exclusion and Taxable Gain

- |     |   |     |       |
|-----|---|-----|-------|
| 6.  | Enter any depreciation allowed or allowable on the property for periods after May 6, 1997. If none, enter zero . . . . .  | 6.  | _____ |
| 7.  | Subtract line 6 from line 5. (If the result is less than zero, enter zero.) . . . . .   | 7.  | _____ |
| 8.  | If you qualify to exclude gain on the sale, enter your maximum exclusion. (See <i>Maximum Exclusion</i> earlier.) If you do not qualify to exclude gain, enter -0- . . . . .  | 8.  | _____ |
| 9.  | Enter the smaller of line 7 or line 8. This is your <b>exclusion</b> . . . . .  | 9.  | _____ |
| 10. | Subtract line 9 from line 5. This is your <b>taxable gain</b> . Report it as described under <i>Reporting the Gain</i> on page 16. If the amount on this line is zero, do not report the sale or exclusion on your tax return. <b>If the amount on line 6 is more than zero, complete line 11</b> . . . . . | 10. | _____ |
| 11. | Enter the smaller of line 6 or line 10. Enter this amount on line 12 of the <i>Unrecaptured Section 1250 Gain Worksheet</i> in the instructions for Schedule D (Form 1040) . . . . .  | 11. | _____ |

# Publication 523

## Worksheet 3. Reduced Maximum Exclusion

**Caution:** Complete this worksheet only if you qualify for a reduced maximum exclusion. (See Reduced Maximum Exclusion earlier.) Complete column (B) only if you are married filing a joint return.

	(A)	(B)
	You	Your Spouse
1. Maximum amount . . . . .	1. \$250,000.00	\$250,000.00
2a. Enter the number of days (or months) that you used the property as a main home during the 5-year period ending on the date of sale. (If married filing jointly, fill in columns (A) and (B)) . . . . .	2a. _____	_____
b. Enter the number of days (or months) that you owned the property during the 5-year period ending on the date of sale. (If married filing jointly and one spouse owned the property longer than the other spouse, both spouses are treated as owning the property for the longer period) . . . . .	b. _____	_____
c. Enter the smaller of line 2a or 2b . . . . .	c. _____	_____
3. Have you (or your spouse if filing jointly) excluded gain from the sale of another home during the 2-year period ending on the date of this sale? <b>NO.</b> Skip line 3 and enter the number of days (or months) from line 2c on line 4. <b>YES.</b> Enter the number of days (or months) between the date of the most recent sale of another home on which you excluded gain and the date of sale of this home . . . . .	3. _____	_____
4. Enter the smaller of line 2c or 3 . . . . .	4. _____	_____
5. Divide the amount on line 4 by 730 days (or 24 months). Enter the result as a decimal (rounded to at least 3 places). But do not enter an amount greater than 1.000 . . . . .	5. _____	_____
6. Multiply the amount on line 1 by the decimal amount on line 5 . . . . .	6. _____	_____
7. Add the amounts in columns (A) and (B) of line 6. This is your <b>reduced maximum exclusion</b> . Enter it here and on <i>Worksheet 2</i> , line 8 . . . . .	7. _____	_____

# Publication 527

Table 2. **Worksheet for Figuring the Limit on Rental Deductions for a Dwelling Unit Used as a Home**

Use this worksheet only if you answer "yes" to all of the following questions. <ul style="list-style-type: none"><li>• Did you use the dwelling unit as a home this year? (See <i>Dwelling Unit Used as Home</i>.)</li><li>• Did you rent the dwelling unit 15 days or more this year?</li><li>• Is the total of your rental expenses and depreciation more than your rental income?</li></ul>		
1.	Enter rents received . . . . .	_____
2a.	Enter the rental portion of deductible home mortgage interest (see instructions) . . . . .	_____
b.	Enter the rental portion of real estate taxes . . . . .	_____
c.	Enter the rental portion of deductible casualty and theft losses (see instructions) . . . . .	_____
d.	Enter direct rental expenses (see instructions) . . . . .	_____
e.	<b>Fully deductible rental expenses.</b> Add lines 2a–2d . . . . .	_____
3.	Subtract line 2e from line 1. If zero or less, enter zero . . . . .	_____
4a.	Enter the rental portion of expenses directly related to operating or maintaining the dwelling unit (such as repairs, insurance, and utilities) . . . . .	_____
b.	Enter the rental portion of excess mortgage interest (see instructions) . . . . .	_____
c.	Add lines 4a and 4b . . . . .	_____
d.	<b>Allowable operating expenses.</b> Enter the smaller of line 3 or line 4c . . . . .	_____
5.	Subtract line 4d from line 3. If zero or less, enter zero . . . . .	_____
6a.	Enter the rental portion of excess casualty and theft losses (see instructions) . . . . .	_____
b.	Enter the rental portion of depreciation of the dwelling unit . . . . .	_____
c.	Add lines 6a and 6b . . . . .	_____
d.	<b>Allowable excess casualty and theft losses and depreciation.</b> Enter the smaller of line 5 or line 6c . . . . .	_____
7a.	<b>Operating expenses to be carried over to next year.</b> Subtract line 4d from line 4c . . . . .	_____
b.	<b>Excess casualty and theft losses and depreciation to be carried over to next year.</b> Subtract line 6d from line 6c . . . . .	_____
Enter the amounts on <b>lines 2e, 4d, and 6d</b> on the appropriate lines of Schedule E (Form 1040), Part I.		
<b>Worksheet Instructions</b>		
Follow these instructions for the worksheet above. If you were unable to deduct all your expenses last year, because of the rental income limit, add these unused amounts to your expenses for this year.		
<b>Line 2a.</b> Figure the mortgage interest on the dwelling unit that you could deduct on Schedule A (Form 1040) if you had not rented the unit. <b>Do not</b> include interest on a loan that did not benefit the dwelling unit. For example, <b>do not</b> include interest on a home equity loan used to pay off credit cards or other personal loans, buy a car, or pay college tuition. Include interest on a loan used to buy, build, or improve the dwelling unit, or to refinance such a loan. Enter the rental portion of this interest on line 2a of the worksheet.		
<b>Line 2c.</b> Figure the casualty and theft losses related to the dwelling unit that you could deduct on Schedule A (Form 1040) if you had not rented the dwelling unit. To do this, complete Section A of Form 4684, <i>Casualties and Thefts</i> , treating the losses as personal losses. On line 17 of Form 4684, enter 10%		
of your adjusted gross income figured <b>without</b> your rental income and expenses from the dwelling unit. Enter the rental portion of the result from line 18 of Form 4684 on line 2c of this worksheet.		
<b>Note.</b> Do <b>not</b> file this Form 4684 or use it to figure your personal losses on Schedule A. Instead, figure the personal portion on a separate Form 4684.		
<b>Line 2d.</b> Enter the total of your rental expenses that are directly related only to the rental activity. These include interest on loans used for rental activities other than to buy, build, or improve the dwelling unit. Also include rental agency fees, advertising, office supplies, and depreciation on office equipment used in your rental activity.		
<b>Line 4b.</b> On line 2a, you entered the rental portion of the mortgage interest you could deduct on Schedule A if you had not rented the dwelling unit. Enter on line 4b of this worksheet the rental portion of the mortgage interest you could not deduct on Schedule A because it is <b>more than</b> the limit on home mortgage interest. <b>Do not</b> include interest on a loan that did not benefit the dwelling unit (as explained in the line 2a instructions).		
<b>Line 6a.</b> To find the rental portion of excess casualty and theft losses, use the Form 4684 you prepared for line 2c of this worksheet.		
<b>A.</b> Enter the amount from line 10 of Form 4684 . . . . . _____		
<b>B.</b> Enter the rental portion of <b>A</b> . . . . . _____		
<b>C.</b> Enter the amount from line 2c of this worksheet . . . . . _____		
<b>D.</b> Subtract <b>C</b> from <b>B</b> . Enter the result here and on line 6a of this worksheet . . . . . _____		
<b>Allocating the limited deduction.</b> If you cannot deduct all of the amount on line 4c or 6c this year, you can allocate the allowable deduction in any way you wish among the expenses included on line 4c or 6c. Enter the amount you allocate to each expense on the appropriate line of Schedule E, Part I.		

# Publication 535

## Worksheet 7—A. Self-Employed Health Insurance Deduction Worksheet (Keep for your records.)

1. Enter total payments made during the year for health insurance coverage established under your business for you, your spouse, and your dependents. (**Do not include** payments for any month you were eligible to participate in a health plan subsidized by your or your spouse's employer or any amount you claim on line 11 of Form 8885. Also, do not include payments for qualified long-term care insurance.) ..... 1. \_\_\_\_\_
2. For coverage under a qualified long-term care insurance contract, enter for each person covered the **smaller** of the following amounts.
  - a) Total payments made for that person during the year.
  - b) The amount shown below. (Use the person's age at the end of the year.)
    - \$250 — if that person is age 40 or younger
    - \$470 — if age 41 to 50
    - \$940 — if age 51 to 60
    - \$2,510 — if age 61 to 70
    - \$3,130 — if age 71 or older(**Do not include** payments for any month you were eligible to participate in a long-term care insurance plan subsidized by your or your spouse's employer.) If more than one person is covered, figure separately the amount to enter for each person. Then enter the total of those amounts ..... 2. \_\_\_\_\_

3. Add the total of lines 1 and 2 ..... 3. \_\_\_\_\_
4. Enter your net profit and any other earned income\* from the trade or business under which the insurance plan is established. (If the business is an S corporation, skip to line 11.) ..... 4. \_\_\_\_\_
5. Enter the total of all net profits from: line 31, Schedule C (Form 1040); line 3, Schedule C-EZ (Form 1040); line 36, Schedule F (Form 1040); or line 15a, Schedule K-1 (Form 1065); plus any other income allocable to the profitable businesses. See the instructions for Schedule SE (Form 1040). (**Do not include** any net losses shown on these schedules.) ..... 5. \_\_\_\_\_
6. Divide line 4 by line 5 ..... 6. \_\_\_\_\_
7. Multiply Form 1040, line 29, by the percentage on line 6 ..... 7. \_\_\_\_\_
8. Subtract line 7 from line 4 ..... 8. \_\_\_\_\_
9. Enter the amount, if any, from Form 1040, line 31, attributable to the same trade or business in which the insurance plan is established ..... 9. \_\_\_\_\_
10. Subtract line 9 from line 8 ..... 10. \_\_\_\_\_
11. Enter your wages from an S corporation in which you are a more-than-2% shareholder and in which the insurance plan is established ..... 11. \_\_\_\_\_
12. Enter the amount from Form 2555, line 43, attributable to the amount entered on line 4 or 11 above, or the amount from Form 2555-EZ, line 18, attributable to the amount entered on line 11 above ..... 12. \_\_\_\_\_
13. Subtract line 12 from line 10 or 11, whichever applies ..... 13. \_\_\_\_\_
14. Compare the amounts on lines 3 and 13 above. Enter the **smaller** of the two amounts here and on Form 1040, line 30. (**Do not include** this amount when figuring a medical expense deduction on Schedule A (Form 1040).) ..... 14. \_\_\_\_\_

\* **Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income.



# Publication 560

**Rate worksheet for self-employed.** If your plan's contribution rate is not a whole percentage (for example, 10½%), you cannot use the *Rate Table for Self-Employed*. Use the following worksheet instead.

## Rate Worksheet for Self-Employed

1) Plan contribution rate as a decimal (for example, 10½% = 0.105) . . . . .	_____
2) Rate in line 1 plus 1 (for example, 0.105 + 1 = 1.105) . . . . .	_____
3) Self-employed rate as a decimal rounded to at least 3 decimal places (line 1 ÷ line 2) . . . . .	=====

# Publication 560

**Rate table for self-employed.** If your plan's contribution rate is a whole percentage (for example, 12% rather than 12½%), you can use the following table to find your reduced contribution rate. Otherwise, use the rate worksheet provided later.

First, find your plan contribution rate (the contribution rate stated in your plan) in *Column A* of the table. Then read across to the rate under *Column B*. Enter the rate from *Column B* in step 1 of the *Deduction Worksheet for Self-Employed*.

## Rate Table for Self-Employed

Column A If the plan contribution rate is: (shown as %)	Column B Your rate is: (shown as decimal)
1 . . . . .	.009901
2 . . . . .	.019608
3 . . . . .	.029126
4 . . . . .	.038462
5 . . . . .	.047619
6 . . . . .	.056604
7 . . . . .	.065421
8 . . . . .	.074074
9 . . . . .	.082569
10 . . . . .	.090909
11 . . . . .	.099099
12 . . . . .	.107143
13 . . . . .	.115044
14 . . . . .	.122807
15 . . . . .	.130435
16 . . . . .	.137931
17 . . . . .	.145299
18 . . . . .	.152542
19 . . . . .	.159664
20 . . . . .	.166667
21 . . . . .	.173554
22 . . . . .	.180328
23 . . . . .	.186992
24 . . . . .	.193548
25* . . . . .	.200000*

\*The deduction for annual employer contributions (other than elective deferrals) to a SEP plan, a profit-sharing plan, or a money purchase plan, cannot be more than 20% of your net earnings (figured without deducting contributions for yourself) from the business that has the plan.

# Publication 560

## Deduction Worksheet for Self-Employed

### Step 1

Enter your net profit from line 31, Schedule C (Form 1040); line 3, Schedule C-EZ (Form 1040); line 36, Schedule F (Form 1040); or line 15a\*, Schedule K-1 (Form 1065) . . . . .

\*General partners should reduce this amount by the same additional expenses subtracted from line 15a to determine the amount on line 1 or 2 of Schedule SE

### Step 2

Enter your deduction for self-employment tax from line 28, Form 1040 . . . . .

### Step 3

Net earnings from self-employment. Subtract step 2 from step 1 . . . . .

### Step 4

Enter your rate from the *Rate Table for Self-Employed or Rate Worksheet for Self-Employed* . . . . .

### Step 5

Multiply step 3 by step 4 . . . . .

### Step 6

Multiply \$200,000 by your plan contribution rate (not the reduced rate) . . . . .

### Step 7

Enter the **smaller** of step 5 or step 6 . . . . .

### Step 8

Contribution dollar limit . . . . . \$40,000

- **If you made any elective deferrals, go to step 9.**
- **Otherwise, skip steps 9 through 18 and enter the smaller of step 7 or step 8 on step 19.**

### Step 9

Enter your allowable elective deferrals made during 2003. Do not enter more than \$12,000 . . . . .

### Step 10

Subtract step 9 from step 8 . . . . .

### Step 11

Subtract step 9 from step 3 . . . . .

### Step 12

Enter one-half of step 11 . . . . .

### Step 13

Enter the **smallest** of step 7, 10, or 12 . . . . .

### Step 14

Subtract step 13 from step 3 . . . . .

### Step 15

Enter the **smaller** of step 9 or step 14 . . . . .

- **If you made catch-up contributions, go to step 16.**
- **Otherwise, skip steps 16 through 18 and go to step 19.**

### Step 16

Subtract step 15 from step 14 . . . . .

### Step 17

Enter your catch-up contributions, if any. Do not enter more than \$2,000 . . . . .

### Step 18

Enter the **smaller** of step 16 or step 17 . . . . .

### Step 19

Add steps 13, 15, and 18. This is your **maximum deductible contribution** . . . . .

**Next:** Enter your deduction on line 30, Form 1040.

# Publication 571

## Worksheet 1. Maximum Amount Contributable (MAC)

**Note.** Use this worksheet to figure your MAC

### Part I. Limit on Annual Additions

- |    |   |    |          |
|----|---|----|----------|
| 1. | Enter your <b>includible compensation for your most recent year of service</b> . . . . .      | 1. | _____    |
| 2. | <b>Maximum</b> . . . . .  | 2. | \$40,000 |
| 3. | Enter the lesser of line 1 or line 2. This is your <b>limit on annual additions</b> . . . . . | 3. | _____    |
- Caution:** If you had only nonelective contributions, skip Part II and enter the amount from line 3 on line 16.

### Part II. Limit on Elective Deferrals

- |   |   |     |          |
|---|---|-----|----------|
| 4.  | <b>Maximum contribution</b> <ul style="list-style-type: none"><li>• For 2003, enter \$12,000</li><li>• For 2004, enter \$13,000 . . . . .</li></ul> | 4.  | _____    |
| <b>Note.</b> If you have at least 15 years of service with a qualifying organization, complete lines 5 through 15. If not, enter zero (-0-) on line 14 and go to line 15. |   |     |          |
| 5.  | Amount per year of service . . . . .  | 5.  | \$ 5,000 |
| 6.  | Enter your years of service . . . . .   | 6.  | _____    |
| 7.  | Multiply line 5 by line 6 . . . . .   | 7.  | _____    |
| 8.  | Enter the total of all elective deferrals for prior years made for you by qualifying organizations . . . . .  | 8.  | _____    |
| 9.  | Subtract line 8 from line 7. If zero or less, enter zero (-0-) . . . . .  | 9.  | _____    |
| 10.   | Maximum increase in limit for long service . . . . .  | 10. | \$15,000 |
| 11.   | Enter all prior year increases in the limit for long service . . . . .  | 11. | _____    |
| 12.   | Subtract line 11 from line 10 . . . . .   | 12. | _____    |
| 13.   | <b>Maximum additional contributions</b> . . . . .   | 13. | \$ 3,000 |
| 14.   | Enter the least of lines 9, 12, or 13. This is your <b>increase in the limit for long service</b> . .   | 14. | _____    |
| 15.   | Add lines 4 and 14. This is your <b>limit on elective deferrals</b> . . . . .   | 15. | _____    |

### Part III. Maximum Amount Contributable

- |     |   |     |       |
|-----|---|-----|-------|
| 16. | <ul style="list-style-type: none"><li>• If you had <b>only nonelective contributions</b>, enter the amount from line 3. This is your <b>MAC</b>.</li><li>• If you had <b>only elective deferrals</b>, enter the lesser of lines 3 or 15. This is your <b>MAC</b>.</li><li>• If you had <b>both elective deferrals and nonelective contributions</b>, enter the amount from line 3. This is your <b>MAC</b>. (Use the amount on line 15 to determine if you have excess elective deferrals as explained in chapter 7.) . . . . .</li></ul> | 16. | _____ |
|-----|---|-----|-------|

# Publication 571

## Worksheet A. Cost of Incidental Life Insurance

**Note:** Use this worksheet to figure the cost of incidental life insurance included in your annuity contract. This amount will be used to figure includible compensation for your most recent year of service.

1.	Enter the value of the contract (amount payable upon your death) . . . . .	1.	_____
2.	Enter the cash value in the contract at the end of the year . . . . .	2.	_____
3.	Subtract line 2 from line 1. This is the value of your current life insurance protection . . . . .	3.	_____
4.	Enter your age on your birthday nearest the beginning of the policy year . . . . .	4.	_____
5.	Enter the 1-year term premium for \$1,000 of life insurance based on your age. (From Figure 3-1) . . . . .	5.	_____
6.	Divide line 3 by \$1,000 . . . . .	6.	_____
7.	Multiply line 6 by line 5. This is the <b>cost of your incidental life insurance</b> . . . . .	7.	_____

# Publication 571

## Worksheet B. Includible Compensation for Your Most Recent Year of Service\*

**Note:** Use this worksheet to figure includible compensation for your most recent year of service.

1.	Enter your includible wages from the employer maintaining your 403(b) account for your most recent year of service . . . . .	1.	_____
2.	Enter elective deferrals for your most recent year of service . . . . .	2.	_____
3.	Enter amounts contributed or deferred by your employer under a cafeteria plan for your most recent year of service . . . . .	3.	_____
4.	Enter amounts contributed or deferred by your employer to your 457 account (a nonqualified plan of a state or local government or of a tax-exempt organization) for your most recent year of service . . . . .	4.	_____
5.	Enter the value of qualified transportation fringe benefits you received from your employer. . . . .	5.	_____
6.	Enter your foreign earned income exclusion for your most recent year of service . . . . .	6.	_____
7.	Add lines 1, 2, 3, 4, 5, and 6 . . . . .	7.	_____
8.	Enter the cost of incidental life insurance that is part of your annuity contract for your most recent year of service . . . . .	8.	_____
9.	Enter compensation that was <b>both</b> : <ul style="list-style-type: none"><li>• Earned during your most recent year of service, and</li><li>• Earned while your employer was not qualified to maintain a 403(b) plan . . . . .</li></ul>	9.	_____
10.	Add lines 8 and 9 . . . . .	10.	_____
11.	Subtract line 10 from line 7. This is your <b>includible compensation for your most recent year of service</b> . . . . .	11.	_____

\* Use estimated amounts if figuring includible compensation before the end of the year.

# Publication 571

## Worksheet C. Limit on Catch-Up Contributions

**Note:** If you will be age 50 or older by the end of the year, use this worksheet to figure your limit on catch-up contributions.

1.	Maximum catch-up contributions	
	• For 2003, enter \$2,000	
	• For 2004, enter \$3,000 . . . . .	1. _____
2.	Enter your <b>includible compensation for your most recent year of service</b> . . . . .	2. _____
3.	Enter your elective deferrals . . . . .	3. _____
4.	Subtract line 3 from line 2 . . . . .	4. _____
5.	Enter the lesser of line 1 or line 4. This is your <b>limit on catch-up contributions</b> . . . . .	5. _____

# Publication 587

## Worksheet To Figure the Deduction for Business Use of Your Home

Use this worksheet if you file Schedule F (Form 1040) or you are an employee or a partner.

### PART 1—Part of Your Home Used for Business:

- |   |            |
|---|------------|
| 1) Area of home used for business .....   | 1) _____   |
| 2) Total area of home .....   | 2) _____   |
| 3) Percentage of home used for business (divide line 1 by line 2 and show result as percentage) ..... | 3) _____ % |

### PART 2—Figure Your Allowable Deduction

- |  |          |
|--|----------|
| 4) Gross income from business (see instructions) ..... | 4) _____ |
|--|----------|

- |   | (a)<br>Direct<br>Expenses | (b)<br>Indirect<br>Expenses |           |
|---|---------------------------|-----------------------------|-----------|
| 5) Casualty losses .....  | 5) _____                  | _____                       |           |
| 6) Deductible mortgage interest .....   | 6) _____                  | _____                       |           |
| 7) Real estate taxes .....  | 7) _____                  | _____                       |           |
| 8) Total of lines 5 through 7 .....   | 8) _____                  | _____                       |           |
| 9) Multiply line 8, column (b), by line 3 .....   |                           | 9) _____                    |           |
| 10) Add line 8, column (a), and line 9 .....  |                           | 10) _____                   |           |
| 11) Business expenses not from business use of home (see instructions) .....  |                           | 11) _____                   |           |
| 12) Add lines 10 and 11 .....   |                           |                             | 12) _____ |
| 13) Deduction limit. Subtract line 12 from line 4 .....   |                           |                             | 13) _____ |
| 14) Excess mortgage interest .....  | 14) _____                 | _____                       |           |
| 15) Insurance .....   | 15) _____                 | _____                       |           |
| 16) Repairs and maintenance .....   | 16) _____                 | _____                       |           |
| 17) Utilities .....   | 17) _____                 | _____                       |           |
| 18) Other expenses .....  | 18) _____                 | _____                       |           |
| 19) Add lines 14 through 18 .....   | 19) _____                 | _____                       |           |
| 20) Multiply line 19, column (b) by line 3 .....  |                           | 20) _____                   |           |
| 21) Carryover of operating expenses from prior year (see instructions) .....  |                           | 21) _____                   |           |
| 22) Add line 19, column (a), line 20, and line 21 .....   |                           |                             | 22) _____ |
| 23) Allowable operating expenses. Enter the <b>smaller</b> of line 13 or line 22 .....  |                           |                             | 23) _____ |
| 24) Limit on excess casualty losses and depreciation. Subtract line 23 from line 13 .....   |                           |                             | 24) _____ |
| 25) Excess casualty losses (see instructions) .....   |                           | 25) _____                   |           |
| 26) Depreciation of your home from line 38 below .....  |                           | 26) _____                   |           |
| 27) Carryover of excess casualty losses and depreciation from prior year (see instructions) ..  |                           | 27) _____                   |           |
| 28) Add lines 25 through 27 .....   |                           |                             | 28) _____ |
| 29) Allowable excess casualty losses and depreciation. Enter the <b>smaller</b> of line 24 or line 28 .....                                     |                           |                             | 29) _____ |
| 30) Add lines 10, 23, and 29 .....  |                           |                             | 30) _____ |
| 31) Casualty losses included on lines 10 and 29 (see instructions) .....  |                           |                             | 31) _____ |
| 32) Allowable expenses for business use of your home. (Subtract line 31 from line 30.) See instructions for where to enter on your return ..... |                           |                             | 32) _____ |

### PART 3—Depreciation of Your Home

- |   |             |
|---|-------------|
| 33) Smaller of adjusted basis or fair market value of home (see instructions) ..... | 33) _____   |
| 34) Basis of land .....   | 34) _____   |
| 35) Basis of building (subtract line 34 from line 33) .....                         | 35) _____   |
| 36) Business basis of building (multiply line 35 by line 3) .....                   | 36) _____   |
| 37) Depreciation percentage (from applicable table or method) .....                 | 37) _____ % |
| 38) Depreciation allowable (multiply line 36 by line 37) .....                      | 38) _____   |

### PART 4—Carryover of Unallowed Expenses to Next Year

- |  |           |
|--|-----------|
| 39) Operating expenses. Subtract line 23 from line 22. If less than zero, enter -0- .....                      | 39) _____ |
| 40) Excess casualty losses and depreciation. Subtract line 29 from line 28. If less than zero, enter -0- ..... | 40) _____ |

# Publication 590

## Worksheet 1–2. Figuring Your Reduced IRA Deduction for 2003

(Use only if you or your spouse is covered by an employer plan and your modified AGI falls between the two amounts shown below for your coverage situation and filing status.)

**Note.** If you were married and both you and your spouse contributed to IRAs, figure your deduction and your spouse's deduction separately.

IF you ...	AND your filing status is ...	AND your modified AGI is over ...	THEN enter on line 1 below...
are <b>covered</b> by an employer plan	single or head of household	\$40,000	\$50,000
	married filing jointly or qualifying widow(er)	\$60,000	\$70,000
	married filing separately	\$0	\$10,000
are <b>not covered</b> by an employer plan, but your spouse is <b>covered</b>	married filing jointly	\$150,000	\$160,000
	married filing separately	\$0	\$10,000

<p><b>1.</b> Enter applicable amount from table above .....</p> <p><b>2.</b> Enter your <b>modified AGI</b> (that of both spouses, if married filing jointly) .....</p> <p><b>Note.</b> If line 2 is equal to or more than the amount on line 1, <b>stop here.</b> Your IRA contributions are not deductible. See <i>Nondeductible Contributions</i>.</p> <p><b>3.</b> Subtract line 2 from 1. <b>If line 3 is \$10,000 or more, stop here.</b> You can take a full IRA deduction for contributions of up to \$3,000 (\$3,500 if 50 or older) or 100% of your (and if married filing jointly, your spouse's) compensation, whichever is less .....</p> <p><b>4.</b> Multiply line 3 by 30% (.30) (by 35% (.35) if age 50 or older). If the result is not a multiple of \$10, round it to the next highest multiple of \$10. (For example, \$611.40 is rounded to \$620.) However, if the result is less than \$200, enter \$200 .....</p> <p><b>5.</b> Enter your compensation minus any deductions on Form 1040, line 28 (one-half of self-employment tax) and line 30 (self-employed SEP, SIMPLE, and qualified plans). If you are filing a joint return and your compensation is less than your spouse's, include your spouse's compensation reduced by his or her traditional IRA and Roth IRA contributions for this year. If you file Form 1040, do not reduce your compensation by any losses from self-employment .....</p> <p><b>6.</b> Enter contributions made, or to be made, to your IRA for 2003 but <b>do not</b> enter more than \$3,000 (\$3,500 if 50 or older). If contributions are more than \$3,000 (\$3,500 if 50 or older), see <i>Excess Contributions</i>, later. ....</p> <p><b>7.</b> <b>IRA deduction.</b> Compare lines 4, 5, and 6. Enter the smallest amount (or a smaller amount if you choose) here and on the Form 1040 or 1040A line for your IRA, whichever applies. If line 6 is more than line 7 and you want to make a nondeductible contribution, go to line 8 .....</p> <p><b>8.</b> <b>Nondeductible contribution.</b> Subtract line 7 from line 5 or 6, whichever is smaller. Enter the result here and on line 1 of your Form 8606 .....</p>	<p><b>1.</b> _____</p> <p><b>2.</b> _____</p> <p><b>3.</b> _____</p> <p><b>4.</b> _____</p> <p><b>5.</b> _____</p> <p><b>6.</b> _____</p> <p><b>7.</b> _____</p> <p><b>8.</b> _____</p>
---	---

## Worksheet 1–3. Figuring the Taxable Part of Your IRA Distribution

Use only if you made contributions to a traditional IRA for 2003 and have to figure the taxable part of your 2003 distributions to determine your modified AGI. See *Limit If Covered By Employer Plan*. Form 8606 and the related instructions will be needed when using this worksheet.

**Note.** When used in this worksheet, the term **outstanding rollover** refers to an amount distributed from a traditional IRA as part of a rollover that, as of December 31, 2003, had not yet been reinvested in another traditional IRA, but was still eligible to be rolled over tax free.

1. Enter the basis in your traditional IRA(s) as of December 31, 2002 . . . . .	1. _____
2. Enter the total of all contributions made to your traditional IRAs during 2003 and all contributions made during 2004 that were for 2003, <b>whether or not deductible</b> . Do not include rollover contributions properly rolled over into IRAs. Also, do not include certain returned contributions described in the instructions for line 7, Part I, of Form 8606. . . . .	2. _____
3. Add lines 1 and 2. . . . .	3. _____
4. Enter the value of all your traditional IRA(s) as of December 31, 2003 (include any outstanding rollovers from traditional IRAs to other traditional IRAs) . . . . .	4. _____
5. Enter the total distributions from traditional IRAs (including amounts converted to Roth IRAs that will be shown on line 16 of Form 8606) received in 2003. (Do not include outstanding rollovers included on line 4 or any rollovers between traditional IRAs completed by December 31, 2003. Also, do not include certain returned contributions described in the instructions for line 7, Part I, of Form 8606.) . . . . .	5. _____
6. Add lines 4 and 5. . . . .	6. _____
7. Divide line 3 by line 6. Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000 . . . . .	7. _____
8. <b>Nontaxable portion of the distribution.</b> Multiply line 5 by line 7. Enter the result here and on lines 13 and 17 of Form 8606 . . . . .	8. _____
9. <b>Taxable portion of the distribution (before adjustment for conversions).</b> Subtract line 8 from line 5. Enter the result here and if there are no amounts converted to Roth IRAs, <b>stop here</b> and enter the result on line 15 of Form 8606. . . . .	9. _____
10. Enter the amount included on line 9 that is allocable to amounts converted to Roth IRAs by December 31, 2003. (See <i>Note</i> at the end of this worksheet.) Enter here and on line 18 of Form 8606. . . . .	10. _____
11. <b>Taxable portion of the distribution (after adjustments for conversions).</b> Subtract line 10 from line 9. Enter the result here and on line 15 of Form 8606 . . . . .	11. _____

**Note.** If the amount on line 5 of this worksheet includes an amount converted to a Roth IRA by December 31, 2003, you must determine the percentage of the distribution allocable to the conversion. To figure the percentage, divide the amount converted (from line 16 of Form 8606) by the total distributions shown on line 5. To figure the amounts to include on line 10 of this worksheet and on line 18, Part II of Form 8606, multiply line 9 of the worksheet by the percentage you figured.



# Publication 590 APPENDIX B

## Worksheets 1, 2, and 3

### APPENDIX B. Worksheets for Social Security Recipients Who Contribute to a Traditional IRA

If you receive social security benefits, have taxable compensation, contribute to your traditional IRA, and you or your spouse are covered by an employer retirement plan, complete the following worksheets. (See *Are You Covered by an Employer Plan?* in chapter 1.)

Use Worksheet 1 to figure your modified adjusted gross income. This amount is needed in the computation of your IRA deduction, if any, which is figured using Worksheet 2.

The IRA deduction figured using Worksheet 2 is entered on your tax return.

#### Worksheet 1

#### Computation of Modified AGI

(For use only by taxpayers who receive social security benefits)

**Filing Status** — Check only one box:

- ☐ **A.** Married filing jointly
- ☐ **B.** Single, Head of Household, Qualifying Widow(er), or Married filing separately and ***lived apart*** from your spouse during the ***entire year***
- ☐ **C.** Married filing separately and ***lived with*** your spouse at ***any time*** during the year

1. Adjusted gross income (AGI) from Form 1040 or Form 1040A (not taking into account any social security benefits from Form SSA-1099 or RRB-1099, any deduction for contributions to a traditional IRA, any student loan interest deduction, any tuition and fees deduction, or any exclusion of interest from savings bonds to be reported on Form 8815) . . . . . **1.** \_\_\_\_\_
2. Enter the amount in box 5 of all Forms SSA-1099 and Forms RRB-1099 . . . . . **2.** \_\_\_\_\_
3. Enter one-half of line 2 . . . . . **3.** \_\_\_\_\_
4. Enter the amount of any foreign earned income exclusion, foreign housing exclusion, U.S. possessions income exclusion, exclusion of income from Puerto Rico you claimed as a bona fide resident of Puerto Rico, or exclusion of employer-paid adoption expenses . . . . . **4.** \_\_\_\_\_
5. Enter the amount of any tax-exempt interest reported on line 8b of Form 1040 or 1040A . . . . . **5.** \_\_\_\_\_
6. Add lines 1, 3, 4, and 5 . . . . . **6.** \_\_\_\_\_
7. Enter the amount listed below for your filing status.
  - **\$32,000** if you checked box **A** above
  - **\$25,000** if you checked box **B** above
  - **\$0** if you checked box **C** above. . . . . **7.** \_\_\_\_\_
8. Subtract line 7 from line 6. If zero or less, enter 0 on this line . . . . . **8.** \_\_\_\_\_
9. If line 8 is zero, **stop here**. None of your social security benefits are taxable.  
If line 8 is more than 0, enter the amount listed below for your filing status.
  - **\$12,000** if you checked box **A** above
  - **\$9,000** if you checked box **B** above
  - **\$0** if you checked box **C** above . . . . . **9.** \_\_\_\_\_
10. Subtract line 9 from line 8. If zero or less, enter 0 . . . . . **10.** \_\_\_\_\_
11. Enter the smaller of line 8 or line 9 . . . . . **11.** \_\_\_\_\_
12. Enter one half of line 11 . . . . . **12.** \_\_\_\_\_
13. Enter the smaller of line 3 or line 12 . . . . . **13.** \_\_\_\_\_
14. Multiply line 10 by .85. If line 10 is zero, enter 0 . . . . . **14.** \_\_\_\_\_
15. Add lines 13 and 14 . . . . . **15.** \_\_\_\_\_
16. Multiply line 2 by .85 . . . . . **16.** \_\_\_\_\_
17. **Taxable benefits** to be included in modified AGI for traditional IRA deduction purposes.  
Enter the smaller of line 15 or line 16 . . . . . **17.** \_\_\_\_\_
18. Enter the amount of any employer-paid adoption expenses exclusion and any foreign earned income exclusion and foreign housing exclusion or deduction that you claimed . . . . . **18.** \_\_\_\_\_
19. **Modified AGI** for determining your reduced traditional IRA deduction — add lines 1, 17, and 18. Enter here and on line 2 of Worksheet 2, next . . . . . **19.** \_\_\_\_\_

## APPENDIX B. (Continued)

### Worksheet 2 Computation of Traditional IRA Deduction (For use only by taxpayers who receive social security benefits)

IF your filing status is ...	AND your modified AGI is over ...	THEN enter on line 1 below ...
---------------------------------	---	--------------------------------------

married filing jointly  
AND

•you are covered  
by a retirement  
plan at work, or

\$60,000\*

\$70,000

•you are not  
covered by an  
employer plan but  
your spouse is

\$150,000\*

\$160,000

single, or head of  
household

\$40,000\*

\$50,000

married filing  
separately\*\*

\$ 0\*

\$10,000

qualifying widower(er)

\$60,000\*

\$70,000

\*If your modified AGI is not over this amount, you can take an IRA deduction for your contributions of up to the lesser of \$3,000 (\$3,500 if you are 50 or older) or your taxable compensation. Skip this worksheet, proceed to Worksheet 3, and enter your IRA deduction on line 2 of Worksheet 3.

\*\*If you did not live with your spouse at any time during the year, consider your filing status as single.

**Note:** If you were married and you or your spouse worked and you both contributed to IRAs, figure the deduction for each of you separately.

1. Enter the applicable amount from above . . . . . 1. \_\_\_\_\_
2. Enter your **modified AGI** from Worksheet 1, line 19 . . . . . 2. \_\_\_\_\_
- Note:** If line 2 is equal to or more than the amount on line 1, **stop here**; your traditional IRA contributions are not deductible. Proceed to Worksheet 3.
3. Subtract line 2 from line 1 . . . . . 3. \_\_\_\_\_
4. Multiply line 3 by 30% (.30) (by 35% (.35) if age 50 or older). If the result is not a multiple of \$10, round it to the next highest multiple of \$10. (For example, \$611.40 is rounded to \$620.)  
However, if the result is less than \$200, enter \$200. . . . . 4. \_\_\_\_\_
5. Enter your compensation minus any deductions on Form 1040, line 29 (one-half of self-employment tax) and line 31 (self-employed SEP, SIMPLE, and qualified plans). (If you are the lower income spouse, include your spouse's compensation reduced by his or her traditional IRA and Roth IRA contributions for this year.) . . . . . 5. \_\_\_\_\_
6. Enter contributions you made, or plan to make, to your traditional IRA for 2003, but do not enter more than \$3,000 (\$3,500 if 50 or older) . . . . . 6. \_\_\_\_\_
7. **Deduction.** Compare lines 4, 5, and 6. Enter the smallest amount here (or a smaller amount if you choose). Enter this amount on the Form 1040 or 1040A line for your IRA. (If the amount on line 6 is more than the amount on line 7, complete line 8.) . . . . . 7. \_\_\_\_\_
8. **Nondeductible contributions.** Subtract line 7 from line 5 or 6, whichever is smaller. Enter the result here and on line 1 of your Form 8606, *Nondeductible IRAs*. . . . . 8. \_\_\_\_\_

## APPENDIX B. (Continued)

### Worksheet 3

#### Computation of Taxable Social Security Benefits

(For use by taxpayers who receive social security benefits and take a traditional IRA deduction)

**Filing Status** — Check only one box:

- ☐ **A.** Married filing jointly
- ☐ **B.** Single, Head of Household, Qualifying Widow(er), or Married filing separately and ***lived apart*** from your spouse during the ***entire year***
- ☐ **C.** Married filing separately and ***lived with*** your spouse at ***any time*** during the year

1. Adjusted gross income (AGI) from Form 1040 or Form 1040A (*not taking into account* any IRA deduction, any student loan interest deduction, any tuition and fees deduction, any social security benefits from Form SSA-1099 or RRB-1099, or any exclusion of interest from savings bonds to be reported on Form 8815) ..... **1.** \_\_\_\_\_
2. Deduction(s) from line 7 of Worksheet(s) 2. .... **2.** \_\_\_\_\_
3. Subtract line 2 from line 1 ..... **3.** \_\_\_\_\_
4. Enter amount in box 5 of all Forms SSA-1099 and Forms RRB-1099 ..... **4.** \_\_\_\_\_
5. Enter one half of line 4 ..... **5.** \_\_\_\_\_
6. Enter the amount of any foreign earned income exclusion, foreign housing exclusion, exclusion of income from U.S. possessions, exclusion of income from Puerto Rico you claimed as a bona fide resident of Puerto Rico, or exclusion of employer-paid adoption expenses ..... **6.** \_\_\_\_\_
7. Enter the amount of any tax-exempt interest reported on line 8b of Form 1040 or 1040A ..... **7.** \_\_\_\_\_
8. Add lines 3, 5, 6, and 7 ..... **8.** \_\_\_\_\_
9. Enter the amount listed below for your filing status.
  - **\$32,000** if you checked box **A** above.
  - **\$25,000** if you checked box **B** above.
  - **\$0** if you checked box **C** above. .... **9.** \_\_\_\_\_
10. Subtract line 9 from line 8. If zero or less, enter 0 on this line. .... **10.** \_\_\_\_\_
11. If line 10 is zero, **stop here**. None of your social security benefits are taxable.  
If line 10 is more than 0, enter the amount listed below for your filing status.
  - **\$12,000** if you checked box **A** above.
  - **\$9,000** if you checked box **B** above.
  - **\$0** if you checked box **C** above. .... **11.** \_\_\_\_\_
12. Subtract line 11 from line 10. If zero or less, enter 0 ..... **12.** \_\_\_\_\_
13. Enter the smaller of line 10 or line 11 ..... **13.** \_\_\_\_\_
14. Enter one-half of line 13 ..... **14.** \_\_\_\_\_
15. Enter the smaller of line 5 or line 14 ..... **15.** \_\_\_\_\_
16. Multiply line 12 by .85. If line 12 is zero, enter 0 ..... **16.** \_\_\_\_\_
17. Add lines 15 and 16 ..... **17.** \_\_\_\_\_
18. Multiply line 4 by .85 ..... **18.** \_\_\_\_\_
19. **Taxable social security benefits.** Enter the smaller of line 17 or line 18 ..... **19.** \_\_\_\_\_

# Publication 596

## Worksheet 1: Investment Income If You Are Filing Form 1040

Keep for Your Records

### Interest and Dividends

1. Enter any amount from Form 1040, line 8a. 1. \_\_\_\_\_
2. Enter any amount from Form 1040, line 8b, plus any amount on Form 8814, line 1b. 2. \_\_\_\_\_
3. Enter any amount from Form 1040, line 9a. 3. \_\_\_\_\_
4. Enter the amount from Form 1040, line 21, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return. (See instructions below for line 4 if your child received an Alaska Permanent Fund dividend.) 4. \_\_\_\_\_

### Capital Gain Net Income

5. Enter the amount from Form 1040, line 13a. If the amount on that line is a loss, enter zero. 5. \_\_\_\_\_
6. Enter any gain from Form 4797, *Sales of Business Property*, line 7, column (g). If the amount on that line is a loss, enter zero. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9, column (g), instead.) 6. \_\_\_\_\_
7. Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter zero.) 7. \_\_\_\_\_

### Royalties and Rental Income from Personal Property

8. Enter any royalty income from Schedule E, line 4, plus any income from the rental of personal property shown on Form 1040, line 21. 8. \_\_\_\_\_
9. Enter any expenses from Schedule E, line 21, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040, line 33. 9. \_\_\_\_\_
10. Subtract the amount on line 9 of this worksheet from the amount on line 8. (If the result is less than zero, enter zero.) 10. \_\_\_\_\_

### Passive Activities

11. Enter the total of any net income from passive activities (included on Schedule E, lines 26, 29a (col. (g)), 34a (col. (d)), and 40). (See instructions below for lines 11 and 12.) 11. \_\_\_\_\_
12. Enter the total of any losses from passive activities (included on Schedule E, lines 26, 29b (col. (f)), 34b (col. (c)), and 40). (See instructions below for lines 11 and 12.) 12. \_\_\_\_\_
13. Combine the amounts on lines 11 and 12 of this worksheet. (If the result is less than zero, enter zero.) 13. \_\_\_\_\_
14. Add the amounts on lines 1, 2, 3, 4, 7, 10, and 13. Enter the total. **This is your Investment Income.** 14. \_\_\_\_\_
15. Is the amount on line 14 more than \$2,600?  
☐ **Yes.** You cannot take the credit.  
☐ **No.** Go to Question 5 in Step 2 of your Form 1040 instructions to find out if you can take the credit (unless you are using this publication to find out if you can take the credit; in that case, go to *Rule 7*, next).

### Instructions for line 4 if your child received Alaska Permanent Fund dividends.

To figure the amount to enter on line 4, start with the amount on line 6 of Form 8814. Multiply that amount by a percentage that is equal to any Alaska Permanent Fund dividends divided by the total amount of interest and dividend income on lines 1a and 2 of Form 8814. Subtract the result from the amount on line 6 of Form 8814.

**Example.** Your 10-year-old child has taxable interest income of \$500 and an Alaska Permanent Fund dividend of \$2,000. You choose to report this income on your return. You enter \$500 on line 1a of Form 8814, \$2,000 on line 2, and \$2,500 on line 4. You enter \$1,000 on line 6 of Form 8814 and line 21 of Form 1040. You figure the amount to enter on line 4 of this worksheet as follows:

$$\$1,000 - (\$1,000 \times (\$2,000 \div \$2,500)) = \$200.$$

**Instructions for lines 11 and 12.** In figuring the amount to enter on lines 11 and 12, do not take into account any royalty income (or loss) included on line 26 of Schedule E or any amount included in your earned income. To find out if the income on line 26 or line 40 of Schedule E is from a passive activity, see the Schedule E instructions. If any of the rental real estate income (or loss) included on Schedule E, line 26, is not from a passive activity, print "NPA" and the amount of that income (or loss) on the dotted line next to line 26.

# Publication 721

## Worksheet A. Simplified Method Worksheet (Keep For Your Records)

See the instructions for the worksheet in Part II under *Simplified Method*.



1. Enter the total annuity payments received this year. Also add this amount to the total for Form 1040, line 16a, or Form 1040A, line 12a . . . . .	_____
2. Enter your cost in the plan at the annuity starting date, plus any death benefit exclusion . . . . .	_____
<b>Note.</b> If your annuity starting date was <b>before this year</b> and you completed this worksheet last year, skip line 3 and enter the amount from line 4 of last year's worksheet on line 4 below. Otherwise, go to line 3.	
3. Enter the appropriate number from Table 1 below. <b>But</b> if your annuity starting date was <b>after 1997</b> and the payments are for your life and that of your beneficiary, enter the appropriate number from Table 2 below . . . . .	_____
4. Divide line 2 by line 3 . . . . .	_____
5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was before 1987, enter this amount on line 8 below and skip lines 6, 7, 10, and 11. Otherwise go to line 6 . . . . .	_____
6. Enter any amounts previously recovered tax free in years after 1986 . . . . .	_____
7. Subtract line 6 from line 2 . . . . .	_____
8. Enter the smaller of line 5 or line 7 . . . . .	_____
9. <b>Taxable annuity for year.</b> Subtract line 8 from line 1. Enter the result, but not less than zero. Also add this amount to the total for Form 1040, line 16b, or Form 1040A, line 12b. If your Form CSA 1099R or Form CSF 1099R shows a larger amount, use the amount on this line instead . . . . .	\$ _____
10. Add lines 6 and 8 . . . . .	_____
11. <b>Balance of cost to be recovered.</b> Subtract line 10 from line 2 . . . . .	_____

**Table 1 for Line 3 Above**

IF the age at annuity starting date was . . .	AND your annuity starting date was—	
	<i>before</i> November 19, 1996, enter on line 3 . . . . .	<i>after</i> November 18, 1996, enter on line 3 . . . . .
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

**Table 2 for Line 3 Above**

IF the combined ages at annuity starting date were . . .	THEN enter on line 3 . . . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210

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## Publication 721

### Worksheet B. **Lump-Sum Payment** (Keep for Your Records)

See the instructions in Part II of this publication under *Alternative Annuity Option*.

- |  |    |       |
|--|----|-------|
| 1. Enter your lump-sum credit (your cost in the plan at the annuity starting date) . . . . .   | 1. | _____ |
| 2. Enter the present value of your annuity contract . . . . .  | 2. | _____ |
| 3. Divide line 1 by line 2 . . . . .   | 3. | _____ |
| 4. <b>Tax-free amount.</b> Multiply line 1 by line 3. ( <i>Caution: Do not include this amount on line 6 of Worksheet A in this publication.</i> ) . . . . .   | 4. | _____ |
| 5. <b>Taxable amount (net cost in the plan).</b> Subtract line 4 from line 1. Include this amount in the total on line 16b of Form 1040 or line 12b of Form 1040A. Also, enter this amount on line 2 of Worksheet A in this publication. . . . . | 5. | _____ |

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## Publication 721

### Worksheet C. **Limited Taxable Amount for Nonresident Alien**

- |   |    |       |
|---|----|-------|
| 1. Enter the otherwise taxable amount of the CSRS or FERS annuity (from line 9 of Worksheet A) or TSP distributions . . . . .     | 1. | _____ |
| 2. Enter the total U.S. Government basic pay other than tax-exempt pay for services performed outside the United States . . . . . | 2. | _____ |
| 3. Enter the total U.S. Government basic pay for all services . . . . .   | 3. | _____ |
| 4. Divide line 2 by line 3 . . . . .  | 4. | _____ |
| 5. Limited taxable amount. Multiply line 1 by line 4. Enter this amount on Form 1040NR, line 17b . . . . .                        | 5. | _____ |

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# Publication 721

## Worksheet D. Lump-Sum Payment at End of Survivor Annuity

1. Enter the lump-sum payment . . . . .	1. _____
2. Enter the amount of annuity previously received tax free . . . . .	2. _____
3. Add lines 1 and 2 . . . . .	3. _____
4. Enter the employee's total cost . . . . .	4. _____
5. <b>Taxable amount.</b> Subtract line 4 from line 3. Enter the result, but not less than zero . . . . .	5. _____

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# Publication 721

## Worksheet E. Lump-Sum Payment to Estate or Other Beneficiary

1. Enter the lump-sum payment . . . . .	1. _____
2. Enter the amount of annuity received tax free by the retiree . . . . .	2. _____
3. Add lines 1 and 2 . . . . .	3. _____
4. Enter the total cost . . . . .	4. _____
5. <b>Taxable amount.</b> Subtract line 4 from line 3. Enter the result, but not less than zero . . . . .	5. _____

# Publication 915

## Worksheet 1. Figuring Your Taxable Benefits

**Before you start:** Is your filing status *Married filing separately*?

**No.** Go to line 1 below.

**Yes.** Did you live apart from your spouse all year?

**No.** Go to line 1 below.

**Yes.** Do the following if you file:

**Form 1040:** Enter "D" to the right of the word "benefits" on line 20a, then go to line 1 below.

**Form 1040A:** Enter "D" to the right of the word "benefits" on line 14a, then go to line 1 below.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 ..... 1. \_\_\_\_\_  
**Note:** If line 1 is zero or less, stop here; none of your benefits are taxable.  
Otherwise, go on to line 2.
2. Enter one-half of line 1 ..... 2. \_\_\_\_\_
3. Enter the total of the amounts from:  
**Form 1040:** Lines 7, 8a, 8b, 9a, 10-13a, 14, 15b, 16b, 17-19, and 21  
**Form 1040A:** Lines 7, 8a, 8b, 9a, 10a, 11b, 12b, and 13 ..... 3. \_\_\_\_\_
4. **Form 1040A filers:** Enter the total of any exclusions for qualified U.S. savings bond interest (Form 8815, line 14) or for adoption benefits (Form 8839, line 30)  
**Form 1040 filers:** Enter the total of any exclusions/adjustments for:
  - Qualified U.S. savings bond interest (Form 8815, line 14)
  - Adoption benefits (Form 8839, line 30)
  - Foreign earned income or housing (Form 2555, lines 43 and 48, or Form 2555-EZ, line 18), and
  - Certain income of bona fide residents of American Samoa (Form 4563, line 15) or Puerto Rico ..... 4. \_\_\_\_\_
5. Add lines 2, 3, and 4 ..... 5. \_\_\_\_\_
6. **Form 1040A filers:** Enter the amount from Form 1040A, line 20, minus any amounts on lines 18 and 19. **Form 1040 filers:** Enter the amount from Form 1040, line 33, minus any amounts on Form 1040, lines 25 and 26 ..... 6. \_\_\_\_\_
7. Subtract line 6 from line 5 ..... 7. \_\_\_\_\_
8. Enter \$25,000 (\$32,000 if married filing jointly; \$0 if married filing separately and you lived with your spouse at any time during 2003) ..... 8. \_\_\_\_\_
9. Subtract line 8 from line 7. If zero or less, enter -0- ..... 9. \_\_\_\_\_  
**Note:** If line 9 is zero or less, stop here; none of your benefits are taxable. (Do not enter any amounts on Form 1040, line 20a or 20b, or on Form 1040A, line 14a or line 14b. But if you are married filing separately and you lived apart from your spouse for all of 2003, enter -0- on Form 1040, line 20b, or on Form 1040A, line 14b.) Otherwise, go on to line 10.
10. Enter \$9,000 (\$12,000 if married filing jointly; \$0 if married filing separately and you lived with your spouse at any time during 2003) ..... 10. \_\_\_\_\_
11. Subtract line 10 from line 9. If zero or less, enter -0- ..... 11. \_\_\_\_\_
12. Enter the **smaller** of line 9 or line 10 ..... 12. \_\_\_\_\_
13. Enter one-half of line 12 ..... 13. \_\_\_\_\_
14. Enter the **smaller** of line 2 or line 13 ..... 14. \_\_\_\_\_
15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- ..... 15. \_\_\_\_\_
16. Add lines 14 and 15 ..... 16. \_\_\_\_\_
17. Multiply line 1 by 85% (.85) ..... 17. \_\_\_\_\_
18. **Taxable benefits.** Enter the **smaller** of line 16 or line 17 ..... 18. \_\_\_\_\_

• Enter the amount from line 1 above on Form 1040, line 20a, or on Form 1040A, line 14a.

• Enter the amount from line 18 above on Form 1040, line 20b, or on Form 1040A, line 14b.

**Note:** If you received a lump-sum payment in this year that was for an earlier year, also complete Worksheet 2 or 3 and Worksheet 4 to see whether you can report a lower taxable benefit.



# Publication 915

## Worksheet 2. Figure Your Additional Taxable Benefits (From a Lump-Sum Payment for a Year After 1993)

Enter earlier year \_\_\_\_\_

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for the earlier year, plus the lump-sum payment for the earlier year received after that year . . . . .	1. _____
<b>Note:</b> If line 1 is zero or less, skip lines 2 through 20 and enter -0- on line 21. Otherwise, go on to line 2.	
2. Enter one-half of line 1 . . . . .	2. _____
3. Enter the adjusted gross income reported on your return for the earlier year . . . . .	3. _____
4. Enter the total of any exclusions/adjustments you claimed in the earlier year for:	
• Adoption benefits (Form 8839)	
• Qualified U.S. savings bond interest (Form 8815)	
• Student loan interest (Form 1040, line 25 in 2002, or line 24 in 2001, or Form 1040A, line 18 in 2002 or line 17 in 2001)	
• Tuition and fees (Form 1040, line 26, or Form 1040A, line 19)	
• Foreign earned income or housing (Form 2555 or Form 2555-EZ)	
• Certain income of bona fide residents of American Samoa (Form 4563) or Puerto Rico . . . . .	4. _____
5. Enter any tax-exempt interest received in the earlier year . . . . .	5. _____
6. Add lines 2, 3, 4, and 5 . . . . .	6. _____
7. Enter taxable benefits reported on your return for the earlier year . . . . .	7. _____
8. Subtract line 7 from line 6 . . . . .	8. _____
9. Enter \$25,000 (\$32,000 if married filing jointly for the earlier year; \$0 if married filing separately for the earlier year and you lived with your spouse at any time during the year) . . . . .	9. _____
10. Subtract line 9 from line 8. If zero or less, enter -0- . . . . .	10. _____
<b>Note:</b> If line 10 is zero or less, skip lines 11 through 20 and enter -0- on line 21. Otherwise, go on to line 11.	
11. Enter \$9,000 (\$12,000 if married filing jointly for the earlier year; \$0 if married filing separately for the earlier year and you lived with your spouse at any time during the year) . . . . .	11. _____
12. Subtract line 11 from line 10. If zero or less, enter -0- . . . . .	12. _____
13. Enter the <b>smaller</b> of line 10 or line 11 . . . . .	13. _____
14. Enter one-half of line 13 . . . . .	14. _____
15. Enter the <b>smaller</b> of line 2 or line 14 . . . . .	15. _____
16. Multiply line 12 by 85% (.85). If line 12 is zero, enter -0- . . . . .	16. _____
17. Add lines 15 and 16 . . . . .	17. _____
18. Multiply line 1 by 85% (.85) . . . . .	18. _____
19. <b>Refigured taxable benefits.</b> Enter the <b>smaller</b> of line 17 or line 18 . . . . .	19. _____
20. Enter taxable benefits reported on your return for the earlier year (or as refigured due to a previous lump-sum payment for the year) . . . . .	20. _____
21. <b>Additional taxable benefits.</b> Subtract line 20 from line 19. Also enter this amount on line 19 of Worksheet 4 . . . . .	21. _____

**Note:** Do not file an amended return for this earlier year. Complete a separate Worksheet 2 or Worksheet 3 for each earlier year for which you received a lump-sum payment in 2003.

# Publication 915

## Worksheet 3. Figure Your Additional Taxable Benefits (From a Lump-Sum Payment for a Year Before 1994)

Enter earlier year \_\_\_\_\_

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for the earlier year, plus the lump-sum payment for the earlier year received after that year . . . . .	1. _____
<b>Note:</b> If line 1 is zero or less, skip lines 2 through 13 and enter -0- on line 14. Otherwise, go on to line 2.	
2. Enter one-half of line 1 . . . . .	2. _____
3. Enter the adjusted gross income reported on your return for the earlier year . . . . .	3. _____
4. Enter the total of any exclusions/adjustments you claimed in the earlier year for:	
• Qualified U.S. savings bond interest (Form 8815)	
• Foreign earned income or housing (Form 2555 or Form 2555-EZ)	
• Certain income of bona fide residents of American Samoa (Form 4563) or Puerto Rico . . . . .	4. _____
5. Enter any tax-exempt interest received in the earlier year . . . . .	5. _____
6. Add lines 2, 3, 4, and 5 . . . . .	6. _____
7. Enter taxable benefits reported on your return for the earlier year . . . . .	7. _____
8. Subtract line 7 from line 6 . . . . .	8. _____
9. Enter \$25,000 (\$32,000 if married filing jointly for the earlier year; \$0 if married filing separately for the earlier year and you lived with your spouse at any time during the year) . . . . .	9. _____
10. Subtract line 9 from line 8. If zero or less, enter -0- . . . . .	10. _____
<b>Note:</b> If line 10 is zero or less, skip lines 11 through 13 and enter -0- on line 14. Otherwise, go on to line 11.	
11. Enter one-half of line 10 . . . . .	11. _____
12. <b>Refigured taxable benefits.</b> Enter the <b>smaller</b> of line 2 or line 11 . . . . .	12. _____
13. Enter taxable benefits reported on your return for the earlier year (or as refigured due to a previous lump-sum payment for the year) . . . . .	13. _____
14. <b>Additional taxable benefits.</b> Subtract line 13 from line 12. Also enter this amount on line 19 of Worksheet 4 . . . .	14. _____
<b>Note:</b> Do not file an amended return for this earlier year. Complete a separate Worksheet 2 or Worksheet 3 for each earlier year for which you received a lump-sum payment in 2003.	

# Publication 915

## Worksheet 4. Figure Your Taxable Benefits Under the Lump-Sum Election Method (Use With Worksheet 2 or 3)

Complete Worksheet 1 and Worksheets 2 and 3 as appropriate before completing this worksheet.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for 2003, minus the lump-sum payment for years before 2003 . . . . . 1. \_\_\_\_\_  
**Note:** If line 1 is zero or less, enter zero on lines 2 and 11 and skip lines 3 through 10. Otherwise, go on to line 2.
2. Enter one-half of line 1 . . . . . 2. \_\_\_\_\_
3. Enter the amount from line 3 of Worksheet 1 . . . . . 3. \_\_\_\_\_
4. Enter the amount from line 4 of Worksheet 1 . . . . . 4. \_\_\_\_\_
5. Add lines 2, 3, and 4 . . . . . 5. \_\_\_\_\_
6. Enter the amount from line 6 of Worksheet 1 . . . . . 6. \_\_\_\_\_
7. Subtract line 6 from line 5 . . . . . 7. \_\_\_\_\_
8. Enter the amount from line 8 of Worksheet 1 . . . . . 8. \_\_\_\_\_
9. Subtract line 8 from line 7. If zero or less, enter -0- . . . . . 9. \_\_\_\_\_  
**Note:** If line 9 is zero or less, skip lines 10 through 17 and enter -0- on line 18. Otherwise, go on to line 10.
10. Enter the amount from line 10 of Worksheet 1 . . . . . 10. \_\_\_\_\_
11. Subtract line 10 from line 9. If zero or less, enter -0- . . . . . 11. \_\_\_\_\_
12. Enter the **smaller** of line 9 or line 10 . . . . . 12. \_\_\_\_\_
13. Enter one-half of line 12 . . . . . 13. \_\_\_\_\_
14. Enter the **smaller** of line 2 or line 13 . . . . . 14. \_\_\_\_\_
15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- . . . . . 15. \_\_\_\_\_
16. Add lines 14 and 15 . . . . . 16. \_\_\_\_\_
17. Multiply line 1 by 85% (.85) . . . . . 17. \_\_\_\_\_
18. Enter the **smaller** of line 16 or line 17 . . . . . 18. \_\_\_\_\_
19. Enter the total of the amounts from line 21 of Worksheet 2 and line 14 of Worksheet 3 for all earlier years for which the lump-sum payment was received . . . . . 19. \_\_\_\_\_
20. **Taxable benefits under lump-sum election method.** Add lines 18 and 19 . . . . . 20. \_\_\_\_\_  
**Note:** If line 20 above is not smaller than line 18 of Worksheet 1, you cannot use this method to figure your taxable benefits. Instead, follow the instructions on Worksheet 1 to report your benefits.

You can elect to report your taxable benefits under this method if line 20 above is smaller than line 18 of Worksheet 1. To elect this method:

- Make the following entries on your return:  
On Form 1040, enter "LSE" to the left of line 20a.  
On Form 1040A, enter "LSE" to the left of line 14a.
- Enter the amount from line 1 of Worksheet 1 on Form 1040, line 20a, or on Form 1040A, line 14a. If you are married filing separately and you lived apart from your spouse for all of 2003, also make the entries described at the top of Worksheet 1.
- If line 20 above is zero, follow the instructions below line 9 on Worksheet 1. Otherwise, enter the amount from line 20 above on Form 1040, line 20b, or on 1040A, line 14b.

# Publication 929

## Worksheets and Instructions Related to Form 8814

Use **Part I** of Form 8814 to figure your child's interest and dividend income to report on your return. **Only the amount over \$1,500 is added to your income.** This amount is shown on line 6 of Form 8814. Include this amount on line 21 of Form 1040 or Form 1040NR. If you file more than one Form 8814, include the total amounts from line 6 of all your Forms 8814 on line 21. In the space next to line 21, write "Form 8814." and the total of the line 6 amounts

**Note.** The tax on the first \$1,500 is figured in **Part II** of Form 8814. See *Figuring Additional Tax*, later.

**Qualified Dividends.** Enter on line 2 of Form 8814 any ordinary dividends your child received. The amount may include qualified dividends. Qualified dividends are those dividends, reported on line 9b of Form 1040, that are eligible for the lower tax rates that apply to a net capital gain. For detailed information about qualified dividends, see Publication 550, *Investment Income and Expenses*.

If your child received qualified dividends, the amount of these dividends that is added to your income must be reported on lines 9a and 9b of Form 1040. You do not include it on line 6 of Form 8814 or on line 21 of Form 1040.



Use the following worksheet to figure the amount to report as qualified dividends on Form 1040, lines 9a and 9b, and the amount to report on Form 8814, line 6. (The worksheet is needed to divide the \$1,500 base amount on line 5 of Form 8814 between the child's qualified dividends, capital gain distributions, and other interest and dividend income.)

### Worksheet for Child's Qualified Dividends and Capital Gain Distributions (Keep for your records)

1. Enter the amount of qualified dividends included on Form 8814, line 2 . . . . .
2. Enter the amount from Form 8814, line 3 . . . . .
3. Enter the amount from Form 8814, line 4 . . . . .
4. Divide line 1 by line 3. Enter the result as a decimal . . . . .
5. Divide line 2 by line 3. Enter the result as a decimal . . . . .

6. Base amount . . . . . \$ 1,500
7. Subtract line 6 from line 3 . . . . .
8. Multiply line 7 by line 4. Include this amount on lines 9a and 9b of Form 1040 . . . . .
9. Multiply line 7 by line 5. Include this amount on Schedule D, line 13, column (f), or on line 13a of Form 1040 . . . . .
10. Add lines 8 and 9 . . . . .
11. Subtract line 10 from line 7. Enter the result here and on Form 8814, line 6 . . . . .
12. Enter the child's post-May 5 capital gain distributions, if any . . . . .
13. Divide line 12 by line 2. Enter the result as a decimal . . . . .
14. Multiply line 9 by line 13. Include this amount on Schedule D, line 13, column (g), or on Form 1040, line 13b . . . . .

On the dotted line next to line 6, Form 8814, write "QD" and the amount from line 8 of the worksheet. On the dotted line next to lines 9a and 9b, Form 1040, write "Form 8814" and the amount from line 8 of the worksheet.

**Capital gain distributions.** Enter on line 3 of Form 8814 any capital gain distributions your child received. The amount of these distributions that is added to your income must be reported on line 13 of Schedule D (Form 1040) or, if you are not required to file Schedule D, on line 13a of Form 1040. You do not include it on line 6 of Form 8814 or on line 21 of Form 1040.



Use the *Worksheet for Child's Qualified Dividends and Capital Gain Distributions*, earlier, to figure the amount to report as capital gain distributions on Schedule D, or directly on Form 1040, and the amount to report on Form 8814, line 6. (The worksheet is needed to divide the \$1,500 base amount on line 5 of Form 8814 between the child's qualified dividends, capital gain distributions, and other interest and dividend income.)

On the dotted line next to line 6, Form 8814, write "CGD" and the amount from line 9 of the worksheet. On the dotted line next to line 13, Schedule D, or in the space to the left of line 13a, Form 1040, write "Form 8814" and the amount from line 9 of the worksheet. If there is an amount on line 14 of the worksheet, write "Form 8814" and that amount (post-May 5 capital gain distributions) in the space to the right of line 13, column (g), of Schedule D, or in the space to the left of line 13b, Form 1040.

# Publication 929

## Worksheets and Instructions Related to Form 8615

### Line 8 (Parent's Taxable Income Plus Children's Net Investment Income)

Enter on this line the total of lines 5, 6, and 7. You must determine the amount of **net capital gain** and **qualified dividends** included on this line before completing line 9 of Form 8615.

**Net capital gain.** Net capital gain is the smaller of the gain, if any, on line 16 of Schedule D or the gain, if any, on line 17a of Schedule D. If Schedule D is not required, it is the amount on line 13a of Form 1040 or line 10a of Form 1040A.

**Qualified dividends.** Qualified dividends are those dividends reported on line 9b of Form 1040 or Form 1040A.

**Net capital gain and qualified dividends on line 8.** If neither the child nor the parent nor any other child has net capital gain, the net capital gain on line 8 is zero.

If neither the child, parent, or any other child has qualified dividends, the amount of qualified dividends on line 8 is zero.

If the child, parent, or any other child has net capital gain, figure the amount of net capital gain included on line 8 by adding together the net capital gain amounts included on lines 5, 6, and 7 of Form 8615. If the child, parent, or any other child has qualified dividends, figure the amount of qualified dividends included on line 8 by adding together the qualified dividend amounts included on lines 5, 6, and 7. Use the following discussions to find these amounts.

**Net capital gain or qualified dividends on line 5.** If the child has a net capital gain or qualified dividends, use the appropriate worksheet below to find the amount of each included on line 5. These worksheets are needed to adjust the child's net capital gain and qualified dividends by the appropriate allocated amount of the child's deductions.



Use the following worksheet **only if** line 2 of the child's Form 8615 is \$1,500 and lines 3 and 5 are the same amount.

#### Line 5 Worksheet #1

- A. Enter the child's qualified dividends . . . . . \_\_\_\_\_
- B. Enter the child's net capital gain . . . . . \_\_\_\_\_
- C. Enter the amount from line 1 of the child's Form 8615 . . . . . \_\_\_\_\_
- D. Divide line A by line C (but do not enter more than 1) . . . . . \_\_\_\_\_
- E. Divide line B by line C (but do not enter more than 1) . . . . . \_\_\_\_\_

- F. Multiply \$1,500 by line D . . . . . \_\_\_\_\_
- G. Multiply \$1,500 by line E . . . . . \_\_\_\_\_
- H. **Qualified dividends on line 5.** Subtract line F from line A (but do not enter less than zero or more than the amount on line 5 of Form 8615) . . . . . \_\_\_\_\_
- I. **Net capital gain on line 5.** Subtract line G from line B (but do not enter less than zero or more than the amount on line 5 of Form 8615) . . . . . \_\_\_\_\_



Use the following worksheet **only if** line 2 of the child's Form 8615 is **more** than \$1,500 and lines 3 and 5 are the same amount.

#### Line 5 Worksheet #2

- A. Enter the child's qualified dividends . . . . . \_\_\_\_\_
- B. Enter the child's net capital gain . . . . . \_\_\_\_\_
- C. Add lines A and B . . . . . \_\_\_\_\_
- D. Divide line A by line C . . . . . \_\_\_\_\_
- E. Enter the child's itemized deductions directly connected with the production of the child's qualified dividends or net capital gain . . . . . \_\_\_\_\_
- F. Multiply line D by line E . . . . . \_\_\_\_\_
- G. Subtract line F from line E . . . . . \_\_\_\_\_
- H. Subtract line G from line B . . . . . \_\_\_\_\_
- I. Subtract line F from line A . . . . . \_\_\_\_\_
- J. Enter the amount from line 1 of the child's Form 8615 . . . . . \_\_\_\_\_
- K. Divide line A by line J (but do **not** enter more than 1) . . . . . \_\_\_\_\_
- L. Divide line B by line J (but do **not** enter more than 1 minus the amount on line K) . . . . . \_\_\_\_\_
- M. Multiply \$750 by line K . . . . . \_\_\_\_\_
- N. Multiply \$750 by line L . . . . . \_\_\_\_\_
- O. **Qualified dividends on line 5.** Subtract line M from line I (but do not enter less than zero or more than the amount on line 5 of Form 8615) . . . . . \_\_\_\_\_
- P. **Net capital gain on line 5.** Subtract line N from line H (but do not enter less than zero or more than the excess of Form 8615, line 5, over line O) . . . . . \_\_\_\_\_



Use the following worksheet **only if** line 5 of the child's Form 8615 is less than line 3.

#### Line 5 Worksheet #3

- A. Enter the child's qualified dividends . . . . . \_\_\_\_\_

- B. Enter the child's net capital gain . . . . . \_\_\_\_\_
- C. Add lines A and B . . . . . \_\_\_\_\_
- D. Divide line A by line C . . . . . \_\_\_\_\_
- E. If the child itemized deductions, enter the child's itemized deductions directly connected with the production of the income on line C . . . . . \_\_\_\_\_
- F. Multiply line D by Line E . . . . . \_\_\_\_\_
- G. Subtract line F from line E . . . . . \_\_\_\_\_
- H. Subtract line G from line B . . . . . \_\_\_\_\_
- I. Subtract line F from line A . . . . . \_\_\_\_\_
- J. If the child can claim his or her own exemption, enter \$3,050.\* Otherwise, enter zero . . . . . \_\_\_\_\_
- K. If the child itemized deductions, enter the child's itemized deductions **not** directly connected with the production of the income on line C. Otherwise, enter the child's standard deduction . . . . . \_\_\_\_\_
- L. Add lines J and K . . . . . \_\_\_\_\_
- M. Enter the child's adjusted gross income (line 35 of Form 1040, line 22 of Form 1040A, or line 34 of Form 1040NR) . . . . . \_\_\_\_\_
- N. Divide line C by line M (but do not enter more than 1) . . . . . \_\_\_\_\_
- O. Multiply line L by line N . . . . . \_\_\_\_\_
- P. Multiply line O by line D . . . . . \_\_\_\_\_
- Q. Subtract line P from line O . . . . . \_\_\_\_\_
- R. **Qualified dividends on line 5.** Subtract line P from line I. Enter the result here (but do not enter less than zero or more than the amount on line 5 of Form 8615) . . . . . \_\_\_\_\_
- S. **Net capital gain on line 5.** Subtract line Q from line H. Enter the result here (but do not enter less than zero or more than the amount on line 5 of Form 8615) . . . . . \_\_\_\_\_

\* If you enter more than \$139,500 on line M, see *Deduction for Exemptions Worksheet—Line 39* in the Form 1040 instructions for the amount to enter on line J.

**Net capital gain on line 6.** If the parent has a net capital gain, its full amount is the net capital gain included on line 6.

**Net capital gain on line 7.** The net capital gain included on line 7 is the total of the amounts of net capital gain included on line 5 of the other children's Forms 8615. Find the amount for each other child as explained earlier under *Net capital gain on line 5*. (Do not attach the other children's Forms 8615 to the child's return.)

## Line 9 (Tax on Parent's Taxable Income Plus Children's Net Investment Income)

Figure the tax on the amount on line 8 using the Tax Table, the Tax Rate Schedules, the *Qualified Dividends and Capital Gain Tax Worksheet* (in the Form 1040, 1040A, or 1040NR instructions), the *Schedule D Tax Worksheet* (in the Schedule D instructions) or Schedule D or J (Form 1040), as follows.

- If line 8 **does not** include any net capital gain or qualified dividends, use the Tax Table or Tax Rate Schedules to figure this tax. But if Schedule J, *Farm Income Averaging*, is used to figure the tax on the parent's return, use it to figure this tax.
- If line 8 **does** include any net capital gain or qualified dividends, use the *Qualified Dividends and Capital Gain Tax Worksheet* to figure this tax. However, if the child, parent, or any other child is filing schedule D or has qualified 5-year gain, use Schedule D to figure this tax. If the child, parent, or any other child has 28% rate gain, unrecaptured section 1250 gain, or an amount on Form 4952, line 4g, use the *Schedule D Tax Worksheet*. But if Schedule J is used to figure the tax on the parent's return, use it to figure this tax.

**Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax.** If you use the *Qualified Dividends and Capital Gain Tax Worksheet* to figure the line 9 tax on Form 8615, complete that worksheet as follows.

- 1) On line 1, enter the amount from line 8 of Form 8615.
- 2) On line 2, enter the amount of qualified dividends line 8 of Form 8615. (See the earlier discussion for line 8.)
- 3) On line 3, enter the amount of the net capital gain on line 8 of Form 8615. (See the earlier discussion for line 8.)
- 4) Complete lines 4 through 29 following the worksheet instructions. Use the parent's filing status to complete lines 8, 26, and 28 (lines 6, 24, and 26 of the worksheet in the Form 1040A instructions). Enter zero on lines 11 and 19 (lines 9 and 17 of the worksheet in the Form 1040A instructions) if neither the child, the parent, nor any other child has post-May 5 capital gain distributions or qualified dividends. Otherwise, figure the amount to enter on those lines using the worksheet under *Figuring post-May 5 gain and qualified dividends (lines 11 and 19)*, next.

Enter the amount from line 29 of the *Qualified Dividends and Capital Gain Tax Worksheet* (or line 27 of the worksheet in the Form 1040A instructions) on line 9 of Form 8615 and check the box on that line. Do not attach this worksheet to the child's return.

**Figuring post-May 5 gain and qualified dividends (lines 11 and 19).** If the child, parent, or any other child



has post-May 5 capital gain distributions or qualified dividends, figure the amount to enter on lines 11 and 19 (lines 9 and 17 of the worksheet in the Form 1040A instructions) using the following worksheet.

**Worksheet for Lines 11 and 19  
of the Qualified Dividends and  
Capital Gain tax Worksheet  
(Line 9 Tax)**

1. Enter the amount, if any, from line 13b of the child's Form 1040 or line 10b of the child's Form 1040A ..... \_\_\_\_\_
- If line 1 is zero or blank, skip lines 2 through 4, enter zero on line 5, and go to line 6.**
2. Enter the amount from the last line of the child's completed *Line 5 Worksheet*. (See the earlier discussion for line 8 of Form 8615.) ..... \_\_\_\_\_
3. Enter the amount from line B of the child's completed *Line 5 Worksheet* ..... \_\_\_\_\_
4. Divide line 2 by line 3. Enter the result as a decimal ..... \_\_\_\_\_
5. Multiply line 1 by line 4 ..... \_\_\_\_\_
6. If no other child has post-May 5 capital gain distributions, enter zero. Otherwise, repeat lines 1 through 5 above for each other child who has post-May 5 capital gain distributions and enter the total of the line 5 amounts for those other children . . . \_\_\_\_\_
7. Enter the amount, if any, from line 13b of the parent's Form 1040 or line 10b of the parent's Form 1040A ..... \_\_\_\_\_
8. Enter the amount, if any, from line 2 of this Qualified Dividends and Capital Gain Tax Worksheet ..... \_\_\_\_\_
9. Add lines 5, 6, 7, and 8. Also enter this amount on lines 11 and 19 of this Qualified Dividends and Capital Gain Tax Worksheet (lines 9 and 17 if the worksheet is from the Form 1040A instructions) ..... \_\_\_\_\_

**Using Schedule D for line 9 tax.** Use Schedule D to figure the line 9 tax on Form 8615 if the child, parent, or any other child is filing Schedule D or has qualified 5-year gain and none of them has unrecaptured section 1250 gain, 28% rate gain, or an amount on Form 4952, line 4g.

If you must use Schedule D, first complete any Schedule D required for the child, parent, or any other child. Then figure the tax using Part IV of **another** Schedule D as a worksheet. (Do not attach this worksheet Schedule D to the child's return.)

Complete this worksheet Schedule D as follows.

- 1) On lines 19 and 20, enter zero.

- 2) On line 21, enter the amount from line 8 of Form 8615.
- 3) On line 22, enter the net capital gain included on line 8 of Form 8615. (See the earlier discussion for line 8.)
- 4) On line 23, enter the qualified dividends included on line 8 of Form 8615. (See the earlier discussion for line 8.)
- 5) Complete lines 24 through 53, following the Schedule D instructions. Use the parent's filing status to complete lines 28, 50, and 52. Enter zero on lines 31 and 43 if neither the child, the parent, nor any other child has post-May 5 gain or qualified dividends. Otherwise, figure the amount to enter on lines 31 and 43 using the worksheet under *Figuring post-May 5 gain and qualified dividends (lines 31 and 43)*, next. If you need to complete line 35, enter zero if neither the child, nor the parent, nor any other child has qualified 5-year gain. Otherwise, enter the amount of qualified 5-year gain included in the net capital gain on line 22 of this worksheet Schedule D. Figure this amount as explained under *Figuring qualified 5-year gain (line 35)*, later.

Enter the amount from line 53 of this worksheet Schedule D on line 9 of Form 8615 and check the box on that line.

**Figuring post-May 5 capital gain.** If the child, parent, or any other child has post-May 5 gain or qualified dividends, figure the amount to enter on lines 31 and 43 of the worksheet Schedule D using the following worksheet.

**Worksheet for Line 31 and 43 of Schedule D  
(Line 9 Tax)**

1. Enter the amount, if any, from line 17b of the child's Schedule D. If the child did not file Schedule D, enter the amount, if any, from line 13b of the child's Form 1040 or line 10b of the child's Form 1040A ..... \_\_\_\_\_
- If line 1 is zero or blank, skip lines 2 through 4, enter zero on line 5, and go to line 6.**
2. Enter the amount from the last line of the child's completed *Line 5 Worksheet*. (See the earlier discussion for line 8 of Form 8615.) ..... \_\_\_\_\_
3. Enter the amount from line B of the child's completed *Line 5 Worksheet* ..... \_\_\_\_\_
4. Divide line 2 by line 3. Enter the result as a decimal ..... \_\_\_\_\_
5. Multiply line 1 by line 4 ..... \_\_\_\_\_
6. If no other child has post-May 5 capital gain, enter zero. Otherwise, repeat lines 1 through 5 above for each other child who has post-May 5 capital gain or qualified dividends and enter the total of the line 5 amounts for those other children ..... \_\_\_\_\_

7. Enter the amount, if any, from line 17b of the parent's Schedule D. If the parent did not file Schedule D, enter the amount, if any, from line 13b of the parent's Form 1040 or line 10b of the parent's Form 1040A . . . . . \_\_\_\_\_
8. Enter the amount, if any, from line 23 of the worksheet Schedule D . . . . . \_\_\_\_\_
9. Add lines 5, 6, 7, and 8. Also enter this amount on lines 31 and 43 of the worksheet Schedule D . . . . . \_\_\_\_\_

**Figuring qualified 5-year gain (line 35).** If the child, parent, or any other child has qualified 5-year gain, figure the amount of qualified 5-year gain included in the net capital gain on line 22 of the worksheet Schedule D using the following worksheet.

**Worksheet for Line 35 of Schedule D  
(Line 9 Tax)**

1. Enter the amount, if any, from line 8 of the child's *Qualified 5-Year Gain Worksheet* in the Schedule D instructions . . . . . \_\_\_\_\_  
**If line 1 is zero or blank, skip lines 2 through 4, enter zero on line 5, and go to line 6.**
2. Enter the amount from the last line of the child's completed *Line 5 Worksheet*. (See the earlier discussion for line 8 of Form 8615.) . . . . . \_\_\_\_\_
3. Enter the amount from line B of the child's completed *Line 5 Worksheet* . . . . . \_\_\_\_\_
4. Divide line 2 by line 3. Enter the result as a decimal . . . . . \_\_\_\_\_
5. Multiply line 1 by line 4 . . . . . \_\_\_\_\_
6. If no other child has qualified 5-year gain, enter zero. Otherwise, repeat lines 1 through 5 above for each other child who has qualified 5-year gain and enter the total of the line 5 amounts for those other children . . . . . \_\_\_\_\_
7. Enter the amount, if any, from line 8 of the parent's *Qualified 5-Year Gain Worksheet* in the Schedule D instructions . . . . . \_\_\_\_\_
8. Add lines 5, 6, and 7. Also enter this amount on line 35 of the worksheet Schedule D . . . . . \_\_\_\_\_

**Using the Schedule D Tax Worksheet for line 9 tax.** Use the *Schedule D Tax Worksheet* in the Schedule D instructions to figure the line 9 tax on Form 8615 if the child, parent, or any other child has unrecaptured section 1250 gain, or 28% rate gain, or an amount on Form 4952, line 4g. If you must use the *Schedule D Tax Worksheet*, first complete any Schedule D and any actual *Schedule D Tax Worksheet* required for the child, parent, or any other child. Then figure the line 9 tax using **another** *Schedule D*

*Tax Worksheet*. (Do not attach this *Schedule D Tax Worksheet* to the child's return.)

Complete this *Schedule D Tax Worksheet* as follows.

- 1) On line 1, enter the amount from line 8 of Form 8615.
- 2) On line 2, enter the qualified dividends included on line 8 of Form 8615. (See the earlier discussion for line 8.)
- 3) On line 3, enter the total of the amounts, if any, on line 4g of all Forms 4952 filed by the child, parent, or any other child.
- 4) On line 4, enter the total of the amounts, if any, on line 4e of all Forms 4952 filed by the child, parent, or any other child. If applicable, include instead the smaller amount entered on the dotted line next to line 4e.
- 5) On lines 5 and 6, follow the worksheet instructions.
- 6) On line 7, enter the net capital gain included on line 8 of Form 8615. (See the earlier discussion for line 8.)
- 7) On lines 8 through 10, follow the worksheet instructions.
- 8) On line 11, enter zero if neither the child, parent, nor any other child has unrecaptured section 1250 gain (line 19 of Schedule D) or 28% rate gain (line 20 of Schedule D). Otherwise, enter the amount of unrecaptured section 1250 gain and 28% rate gain included in the net capital gain on line 7. Figure these amounts as explained later under *Figuring unrecaptured section 1250 gain (line 11)* and *Figuring 28% rate gain (line 11)*.
- 9) Complete lines 12 through 51, following the worksheet instructions. Use the parent's filing status to complete lines 15, 48, and 50. Enter zero on lines 20 and 32 if neither the child, the parent, nor any other child has post-May 5 gain or qualified dividends. Otherwise, figure the amount to enter on lines 20 and 32 using the worksheet under *Figuring post-May 5 gain and qualified dividends (lines 20 and 32)*, later. If you need to complete line 24, enter zero if neither the child, the parent, nor any other child has qualified 5-year gain (line 8 of the *Qualified 5-Year Gain Worksheet* in the Schedule D instructions). Otherwise, enter the amount of qualified 5-year gain included in the net capital gain on line 7. Figure this amount as explained later under *Figuring qualified 5-year gain (line 24)*.

Enter the amount from line 51 of this *Schedule D Tax Worksheet* on line 9 of Form 8615 and check the box on that line.

**Figuring 28% rate gain (line 11).** If the child, parent, or any other child has 28% rate gain, figure the amount of 28% rate gain included in the net capital gain on line 7 using the following worksheet.



**Worksheet 1 for Line 11 of the Schedule D  
Tax Worksheet – 28% Rate Gain  
(Line 9 Tax)**

1. Enter the amount, if any, from line 20 of the child's Schedule D. ....
- If line 1 is zero or blank, skip lines 2 through 4, enter zero on line 5, and go to line 6.**
2. Enter the amount from the last line of the child's completed *Line 5 Worksheet*. (See the earlier discussion for line 8 of Form 8615.) ....
3. Enter the amount from line B of the child's completed *Line 5 Worksheet* ....
4. Divide line 2 by line 3. Enter the result as a decimal. ....
5. Multiply line 1 by line 4. ....
6. If no other child has 28% rate gain, enter zero. Otherwise, repeat lines 1 through 5 above for each other child who has 28% rate gain and enter the total of the line 5 amounts for those other children ....
7. Enter the amount, if any, from line 20 of the parent's Schedule D. ....
8. Add lines 5, 6, and 7. Also include this amount on line 11 of the *Schedule D Tax Worksheet*. ....

**Figuring unrecaptured section 1250 gain (line 11).** If the child, parent, or any other child has unrecaptured section 1250 gain, figure the amount of unrecaptured section 1250 gain included in the net capital gain on line 7 using the following worksheet.

**Worksheet 2 for Line 11 of the  
Schedule D Tax Worksheet—Unrecaptured  
Section 1250 Gain  
(Line 9 Tax)**

1. Enter the amount, if any, from line 19 of the child's Schedule D ....
- If line 1 is zero or blank, skip lines 2 through 4, enter zero on line 5, and go to line 6.**
2. Enter the amount, if any, from the last line of the child's completed *Line 5 Worksheet*. (See the earlier discussion for line 8 of Form 8615.) ....
3. Enter the amount from line B of the child's completed *Line 5 Worksheet* ....
4. Divide line 2 by line 3. Enter the result as a decimal. ....
5. Multiply line 1 by line 4. ....

6. If no other child has unrecaptured section 1250 gain, enter zero. Otherwise, repeat lines 1 through 5 for each other child who has unrecaptured section 1250 gain and enter the total of the line 5 amounts for those children ....
7. Enter the amount, if any, from line 19 of the parent's Schedule D ....
8. Add lines 5, 6, and 7. Also include this amount on line 11 of the *Schedule D Tax Worksheet*. ....

**Figuring post-May 5 gain and qualified dividends (lines 20 and 32).** If the child, parent, or any other child has post-May 5 gain or qualified dividends, figure the amount to enter on lines 20 and 32 using the following worksheet.

**Worksheet for Lines 20 and 32  
of the Schedule D Tax Worksheet  
(Line 9 Tax)**

1. Enter the amount, if any, from line 17b of the child's Schedule D. If the child did not file Schedule D, enter the amount, if any, from line 13b of the child's Form 1040 or line 10b of the child's Form 1040A ....
- If line 1 is zero or blank, skip lines 2 through 4, enter zero on line 5, and go to line 6.**
2. Enter the amount from the last line of the child's completed *Line 5 Worksheet*. (See the earlier discussion for line 8 of Form 8615.) ....
3. Enter the amount from line B of the child's completed *Line 5 Worksheet* ....
4. Divide line 2 by line 3. Enter the result as a decimal. ....
5. Multiply line 1 by line 4. ....
6. If no other child has post-May 5 gain, enter zero. Otherwise, repeat lines 1 through 5 above for each child who has post-May 5 gain and enter the total of the line 5 amounts for those other children . . .
7. Enter the amount, if any, from line 17b of the parent's Schedule D. If the parent did not file Schedule D, enter the amount, if any, from line 13b of the parent's Form 1040 or line 10b of the parent's Form 1040A ....
8. Enter the amount, if any, from line 2 of this Schedule D Tax Worksheet ....
9. Add lines 5, 6, 7 and 8. Also enter this amount on lines 20 and 32 of this Schedule D Tax Worksheet ....

**Figuring qualified 5-year gain (line 24).** If the child, parent, or any other child has qualified 5-year gain, figure the amount of qualified 5-year gain included in the net capital gain on line 7 using the following worksheet.

**Worksheet for Line 24 of the  
Schedule D Tax Worksheet  
(Line 9 Tax)**

1. Enter the amount, if any, from line 8 of the child's *Qualified 5-Year Gain Worksheet* in the Schedule D instructions . . . . . \_\_\_\_\_  
  
**If line 1 is zero or blank, skip lines 2 through 4, enter zero on line 5, and go to line 6.**
2. Enter the amount from the last line of the child's completed *Line 5 Worksheet*. (See the earlier discussion for line 8 of Form 8615.) . . . . . \_\_\_\_\_
3. Enter the amount from line B of the child's completed *Line 5 Worksheet* . . . . . \_\_\_\_\_
4. Divide line 2 by line 3. Enter the result as a decimal . . . . . \_\_\_\_\_
5. Multiply line 1 by line 4 . . . . . \_\_\_\_\_
6. If no other child has qualified 5-year gain, enter zero. Otherwise, repeat lines 1 through 5 above for each child who has qualified 5-year gain and enter the total of the line 5 amounts for those other children . . . . . \_\_\_\_\_
7. If the parent has no qualified 5-year gain, enter zero. Otherwise, enter the amount from line 8 of the parent's *Qualified 5-Year Gain Worksheet* in the Schedule D instructions . . . . . \_\_\_\_\_
8. Add lines 5, 6 and 7. Also enter this amount on line 24 of the *Schedule D Tax Worksheet* . . . . . \_\_\_\_\_

**Using Schedule J for line 9 tax.** Use Schedule J, *Farm Income Averaging*, to figure the line 9 tax on Form 8615 if Schedule J is used to figure the tax on the parent's return. First complete the actual Schedule J for the parent, then use **another** Schedule J as a worksheet to figure the tax to enter on line 9 of Form 8615. (Do not attach this worksheet to the child's return.)

Complete this worksheet Schedule J as follows.

- 1) On line 1, enter the amount from line 8 of Form 8615.
- 2) On line 2, enter the amount from the parent's Schedule J, line 2.
- 3) Complete line 3 following the Schedule J instructions.
- 4) Complete line 4. If line 8 of Form 8615 includes any net capital gain, use the *Qualified Dividends and Capital Gain Tax Worksheet* to figure the tax amount on this line. However, if the child, parent, or any

other child is filing schedule D or has qualified 5-year gain, use Schedule D to figure this tax. If the child, parent, or any other child has 28% rate gain, unre-captured section 1250 gain, or an amount on Form 4952, line 4g, use the *Schedule D Tax Worksheet*.

**Follow the earlier instructions** under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax*, *Using Schedule D for line 9 tax*, or *Using the Schedule D Tax Worksheet for line 9 tax*, **except** use the amount on line 3 of **this** worksheet (instead of the amount on line 8 of Form 8615) in:

- a) Item (1) of *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax* or *Using the Schedule D Tax Worksheet for line 9 tax*, or
  - b) Item (2) of *Using Schedule D for line 9 tax*.
- 5) On lines 5 through 16, enter the amounts from the parent's Schedule J, lines 5 through 16.
  - 6) Complete line 17 following the Schedule J instructions.
  - 7) On lines 18 through 21, enter the amounts from the parent's Schedule J, lines 18 through 21.
  - 8) Complete line 22 following the Schedule J instructions.

Enter the amount from line 22 of this worksheet Schedule J on line 9 of Form 8615 and check the box on that line.

**Net capital gain and qualified dividends on line 14.** If the child does not have any net capital gain or qualified dividends, the amount of the net capital gain and qualified dividends included on line 14 is zero.

If the child has net capital gain, the amount of net capital gain included on line 14 is the amount from line B of the child's completed *Line 5 Worksheet* minus the amount from the last line of that worksheet. (See the earlier discussion for line 8 of Form 8615.)

If the child has qualified dividends, the amount of qualified dividends included on line 14 is the amount from line A of the child's completed *Line 5 Worksheet* minus the amount from the next to the last line of that worksheet. (See the earlier discussion for line 8 of Form 8615.)

**Line 15 (Tax on Child's Taxable Income in Excess of Net Investment Income)**

Figure the tax on the amount on line 14 using the Tax Table, the Tax Rate Schedules, the *Qualified Dividends and Capital Gain Tax Worksheet*, the *Schedule D Tax Worksheet*, or Schedule D or J (Form 1040), as follows.

- If line 14 **does not** include any net capital gain or qualified dividends, use the Tax Table or Tax Rate Schedules (or Schedule J, if applicable) to figure this tax.
- If line 14 **does** include any net capital gain or qualified dividends, use the *Qualified Dividends and Capital Gain Tax Worksheet* to figure this tax unless the

child is filing Schedule D or has qualified 5-year gain. In that case, use Schedule D to figure this tax. However, if the child has 28% rate gain or unrecaptured section 1250 gain, use the *Schedule D Tax Worksheet*. (But use Schedule J instead, if it applies.)

**Using the Qualified Dividends and Capital Gain Tax Worksheet for line 15 tax.** If you use the *Qualified Dividends and Capital Gain Tax Worksheet* to figure the line 15 tax on Form 8615, complete that worksheet as follows.

- 1) On line 1, enter the amount from line 14 of Form 8615.
- 2) On line 2, enter the amount of the qualified dividends included on line 14 of Form 8615. (See the earlier discussion for line 14.)
- 3) On line 3, enter the amount of the net capital gain included on line 14 of Form 8615. (See the earlier discussion for line 14.)
- 4) Complete line 4 following the worksheet instructions.
- 5) Leave line 5 blank.
- 6) Complete lines 6 through 29 (line 27 of the worksheet in the Form 1040A instructions) following the worksheet instructions. Use the child's filing status to complete lines 8, 26, and 28 of the worksheet for Form 1040 (or lines 6, 24, and 26 of the worksheet for Form 1040A). On lines 11 and 19 (lines 9 and 17 of the worksheet in the Form 1040A instructions), enter zero if the child has no post-May 5 capital gain distributions or qualified dividends. Otherwise, in the earlier discussion for line 9 of Form 8615, see the *Worksheet for Lines 11 and 19 of the Qualified Dividends and Capital Gain Tax Worksheet (Line 9 Tax)*, *Worksheet for Lines 31 and 43 of Schedule D (Line 9 Tax)*, or *Worksheet for Lines 20 and 32 of the Schedule D Tax Worksheet (Line 9 Tax)*, whichever applies. Subtract line 5 of that worksheet from line 1 of that worksheet and enter the result on lines 11 and 19 of this worksheet (lines 9 and 17 if the worksheet is from the Form 1040A instructions).

Enter the amount from line 29 of this *Qualified Dividends and Capital Gain Tax Worksheet* (or line 27 of the worksheet in the Form 1040A instructions) on line 15 of Form 8615 and check the box on that line. Do not attach this worksheet to the child's return.

**Using Schedule D for line 15 tax.** Use Part IV of Schedule D to figure the line 15 tax on Form 8615 if the child is filing Schedule D or has qualified 5-year gain. However, if the child has unrecaptured section 1250 gain or 28% rate gain, use the *Schedule D Tax Worksheet* to figure the line 15 tax. See *Using the Schedule D Tax Worksheet for line 15 tax*, next.) If you must use Schedule D, first complete any actual Schedule D required for the child. Then figure the line 15 tax using Part IV of **another** Schedule D as a worksheet. (Do not attach this worksheet Schedule D to the child's return.)

Complete this worksheet Schedule D as follows.

- 1) On lines 19 and 20, enter zero.
- 2) On line 21, enter the amount from line 14 of Form 8615.
- 3) On line 22, enter the net capital gain included on line 14 of Form 8615. (See the earlier discussion for line 14.)
- 4) On line 23, enter the qualified dividends included on line 14 of Form 8615. (See the earlier discussion for line 14.)
- 5) Complete line 24, following the Schedule D instructions.
- 6) Leave line 25 blank.
- 7) Complete lines 26 through 53, following the Schedule D instructions. Use the child's filing status to complete lines 28, 50, and 52. On lines 31 and 43, enter zero if the child has no post-May 5 gain or qualified dividends. Otherwise, in the earlier discussion for line 9 of Form 8615, see the *Worksheet for Lines 31 and 43 of Schedule D (Line 9 Tax)* or *Worksheet for Lines 20 and 32 of the Schedule D Tax Worksheet (Line 9 Tax)*, whichever applies. Subtract line 5 of that worksheet from line 1 of that worksheet and enter the result on lines 31 and 43 of this worksheet Schedule D. If you need to complete line 35, enter zero if the child has no qualified 5-year gain (line 8 of the *Qualified 5-year Gain Worksheet* in the Schedule D instructions). Otherwise, in the earlier discussion for line 9 of Form 8615, see the *Worksheet for Line 35 of Schedule D (Line 9 Tax)* or the *Worksheet for Line 24 of the Schedule D Tax Worksheet (Line 9 Tax)*, whichever was used. Subtract line 5 of that worksheet from line 1 of that worksheet and enter the result on line 35 of this worksheet Schedule D.

Enter the amount from line 53 of this worksheet Schedule D on line 15 of Form 8615.

**Using the Schedule D Tax Worksheet for line 15 tax.** Use the *Schedule D Tax Worksheet* in the Schedule D instructions to figure the line 15 tax on Form 8615 if the child has unrecaptured section 1250 gain or 28% rate gain. Do not attach this *Schedule D Tax Worksheet* to the child's return.

Complete this *Schedule D Tax Worksheet* as follows.

- 1) On line 1, enter the amount from line 14 of Form 8615.
- 2) On line 2, enter the qualified dividends included on line 14 of Form 8615. (See the earlier discussion for line 14.)
- 3) Leave lines 3 through 5 blank.
- 4) Enter the amount from line 2 on line 6.
- 5) On line 7, enter the net capital gain included on line 14 of Form 8615. (See the earlier discussion for line 14.)

- 6) Skip line 8.
- 7) Enter the amount from line 7 on line 9.
- 8) Complete line 10, following the worksheet instructions.
- 9) On line 11, enter zero if the child has no 28% rate gain (line 20 of Schedule D) or any unrecaptured section 1250 gain (line 19 of Schedule D). Otherwise, see *Worksheet 1 for Line 11 of the Schedule D Tax Worksheet – 28% Rate Gain (Line 9 Tax)* and *Worksheet 2 for Line 11 of the Schedule D Tax Worksheet – Unrecaptured Section 1250 Gain (Line 9 Tax)* under *Using the Schedule D Tax Worksheet for line 9 tax*, earlier. For each worksheet you complete, subtract line 5 of that worksheet from line 1 of that worksheet, and include the result on line 11 of this worksheet.
- 10) Complete lines 12 through 14, following the worksheet instructions.
- 11) Use the child's filing status to complete lines 15, 48, and 50.
- 12) Complete lines 16 through 19, following the worksheet instructions.
- 13) On lines 20 and 32, enter zero if the child has no post-May 5 gain or qualified dividends. Otherwise, in the earlier discussion for line 9 of Form 8615, see the *Worksheet for Lines 20 and 32 of the Schedule D Tax Worksheet (Line 9 Tax)*. Subtract line 5 of that worksheet from line 1 of that worksheet and enter the result on lines 20 and 32 of this worksheet.
- 14) Complete lines 21 through 51, following the worksheet instructions. If you need to complete line 24, enter zero if the child has no qualified 5-year gain (line 8 of the *Qualified 5-Year Gain Worksheet* in the Schedule D instructions). Otherwise, in the earlier discussion for line 9 of Form 8615, see the *Worksheet for Line 24 of the Schedule D Tax Worksheet (Line 9 Tax)*. Subtract line 5 of that worksheet from line 1 of that worksheet and enter the result on line 24 of this worksheet. If you need to complete line 39, enter the smaller of line 9 or the amount of unrecaptured section 1250 gain you included on line 11.

Enter the amount from line 51 of this *Schedule D Tax Worksheet* on line 15 of Form 8615 and check the box on that line.

# Publication 936

**Table 1. Worksheet To Figure Your Qualified Loan Limit and Deductible Home Mortgage Interest For the Current Year**

(Keep for your records.) See the *Table 1 Instructions*.

Part I Qualified Loan Limit		
1. Enter the average balance of all your grandfathered debt. See line 1 instructions . . . . .	1.	
2. Enter the average balance of all your home acquisition debt. See line 2 instructions . .	2.	
3. Enter \$1,000,000 (\$500,000 if married filing separately) . . . . .	3.	
4. Enter the <b>larger</b> of the amount on line 1 or the amount on line 3 . . . . .	4.	
5. Add the amounts on lines 1 and 2. Enter the total here . . . . .	5.	
6. Enter the <b>smaller</b> of the amount on line 4 or the amount on line 5 . . . . .	6.	
7. Enter \$100,000 (\$50,000 if married filing separately). See the line 7 instructions for a limit that may apply . . . . .	7.	
8. Add the amounts on lines 6 and 7. Enter the total. This is your qualified loan limit . . . .	8.	
Part II Deductible Home Mortgage Interest		
9. Enter the total of the average balances of all mortgages on all qualified homes. See line 9 instructions . . . . .	9.	
<ul style="list-style-type: none"> <li>• If line 8 is less than line 9, go on to line 10.</li> <li>• If line 8 is equal to or more than line 9, <b>STOP HERE</b>. All of your interest on all the mortgages included on line 9 is deductible as home mortgage interest on Schedule A (Form 1040).</li> </ul>		
10. Enter the total amount of interest that you paid. See line 10 instructions . . . . .	10.	
11. Divide the amount on line 8 by the amount on line 9. Enter the result as a decimal amount (rounded to three places) . . . . .	11.	× .
12. Multiply the amount on line 10 by the decimal amount on line 11. Enter the result. This is your <b>deductible home mortgage interest</b> . Enter this amount on Schedule A (Form 1040) . . . . .	12.	
13. Subtract the amount on line 12 from the amount on line 10. Enter the result. This is <b>not</b> home mortgage interest. See line 13 instructions . . . . .	13.	



# Publication 946

## Depreciation Worksheet for Passenger Automobiles

### Part I

1. MACRS system (GDS or ADS) . . . \_\_\_\_\_
2. Property class . . . . . \_\_\_\_\_
3. Date placed in service . . . . . \_\_\_\_\_
4. Recovery period . . . . . \_\_\_\_\_
5. Method and convention . . . . . \_\_\_\_\_
6. Depreciation rate (from tables) . . . \_\_\_\_\_
7. Maximum depreciation deduction  
for this year from the appropriate  
table . . . . . \_\_\_\_\_
8. Business/investment-use  
percentage . . . . . \_\_\_\_\_
9. Multiply line 7 by line 8. This is your  
adjusted maximum depreciation  
deduction . . . . . \_\_\_\_\_
10. Section 179 deduction claimed this  
year (not more than line 9). Enter  
-0- if this is not the year you placed  
the car in service. . . . . \_\_\_\_\_

#### Note.

- 1) If line 10 is equal to line 9, stop here. Your combined section 179 and depreciation deduction (including your special depreciation allowance or Liberty Zone depreciation allowance) is limited to the amount on line 9.
- 2) If line 10 is less than line 9, complete Part II.

### Part II

11. Subtract line 10 from line 9. This is  
the limit on the amount you can  
deduct for depreciation (including  
any special depreciation allowance  
or Liberty Zone depreciation  
allowance) . . . . . \_\_\_\_\_
12. Cost or other basis (reduced by  
any section 179A deduction<sup>1</sup> or  
credit for electric vehicles<sup>2</sup>) . . . . . \_\_\_\_\_
13. Multiply line 12 by line 8. This is  
your business/investment cost . . . . . \_\_\_\_\_

14. Section 179 deduction claimed in  
year you placed the car in service \_\_\_\_\_
15. Subtract line 14 from line 13. This  
is your tentative basis for  
depreciation . . . . . \_\_\_\_\_
16. Multiply line 15 by .30 if the 30%  
special depreciation allowance (or  
Liberty Zone depreciation  
allowance) applies. Multiply line 15  
by .50 if the 50% special  
depreciation allowance applies.  
This is your special depreciation  
allowance (or Liberty Zone  
depreciation allowance). Enter -0- if  
this is not the year you placed the  
car in service, the car is not  
qualified property (or Liberty Zone  
property), or you elected not to  
claim a special depreciation  
allowance (or Liberty Zone  
depreciation allowance). . . . . \_\_\_\_\_

#### Note.

- 1) If line 16 is equal to line 11, stop here. Your depreciation deduction (including your special depreciation allowance or Liberty Zone depreciation allowance) is limited to the amount on line 11.
- 2) If line 16 is less than line 11, complete Part III.

### Part III

17. Subtract line 16 from line 11. This  
is the limit on the amount you can  
deduct for MACRS depreciation . . . \_\_\_\_\_
18. Subtract line 16 from line 15. This  
is your basis for depreciation . . . . . \_\_\_\_\_
19. Multiply line 18 by line 6. This is  
your tentative MACRS depreciation  
deduction . . . . . \_\_\_\_\_
20. Enter the lesser of line 17 or line  
19. This is your MACRS  
depreciation deduction . . . . . \_\_\_\_\_

<sup>1</sup>The section 179A deduction is for clean-fuel vehicles or clean-fuel vehicle refueling property. When figuring the amount to enter on line 12, do not reduce your cost or other basis by any section 179 deduction you claimed for your car.

<sup>2</sup>Reduce the basis by the lesser of \$4,000 or 10% of the cost of the vehicle even if the credit is less than that amount.

# Publication 970

## Coverdell ESA — Taxable Withdrawals and Basis

(Keep for your records)

### How to complete this worksheet.

- Complete Part I, lines A through H, on only one worksheet.
- Complete a separate Part II, lines 1 through 15, for each of your Coverdell ESAs.
- Complete Part III, the Summary (line 16), on only one worksheet.

### Part I. Qualified Education Expenses (Complete for total expenses)

- A. Enter your total qualified education expenses for 2003 ..... **A.** \_\_\_\_\_
- B. Enter those qualified education expenses paid for with tax-free education benefits (for example, scholarships excluded from income, veterans' educational benefits, Pell grants, employer-provided educational assistance) ..... **B.** \_\_\_\_\_
- C. Enter those qualified higher education expenses deducted on Schedule C or C-EZ (Form 1040), Schedule F (Form 1040), or as a miscellaneous itemized deduction on Schedule A (Form 1040) ..... **C.** \_\_\_\_\_
- D. Enter those qualified **higher** education expenses on which a Hope or lifetime learning credit was based ..... **D.** \_\_\_\_\_
- E. Add lines B, C, and D ..... **E.** \_\_\_\_\_
- F. Subtract line E from line A. This is your adjusted qualified education expense for 2003 ..... **F.** \_\_\_\_\_
- G. Enter your total withdrawals from **all** Coverdell ESAs during 2003. Do not include rollovers or the return of excess contributions (see instructions) ..... **G.** \_\_\_\_\_
- H. Divide line F by line G. Enter the result as a decimal (rounded to at least 3 places). If the result is 1.000 or more, enter 1.000 ..... **H.** \_\_\_\_\_

### Part II. Taxable Withdrawals and Basis (Complete separately for each account)

1. Enter the amount contributed to **this** Coverdell ESA for 2003, including contributions made for 2003 from January 1, 2004, through April 15, 2004. Do **not** include rollovers or the return of excess contributions ..... **1.** \_\_\_\_\_
2. Enter your basis in this Coverdell ESA as of December 31, 2002 (see instructions) ..... **2.** \_\_\_\_\_
3. Add lines 1 and 2 ..... **3.** \_\_\_\_\_
4. Enter the total withdrawals from **this** Coverdell ESA during 2003. Do **not** include rollovers or the return of excess contributions (see instructions) ..... **4.** \_\_\_\_\_
5. Multiply line 4 by line H. This is the amount of adjusted qualified education expense attributable to this Coverdell ESA ..... **5.** \_\_\_\_\_
6. Subtract line 5 from line 4 ..... **6.** \_\_\_\_\_
7. Enter the total value of **this** Coverdell ESA as of December 31, 2003, plus any outstanding rollovers (see instructions) ..... **7.** \_\_\_\_\_
8. Add lines 4 and 7 ..... **8.** \_\_\_\_\_
9. Divide line 3 by line 8. Enter the result as a decimal (rounded to at least 3 places). If the result is 1.000 or more, enter 1.000 ..... **9.** \_\_\_\_\_
10. Multiply line 4 by line 9. This is the amount of basis allocated to your withdrawals, and is tax free ..... **10.** \_\_\_\_\_
- Note:** If line 6 is zero, skip lines 11 through 13, enter -0- on line 14, and go to line 15.
11. Subtract line 10 from line 4 ..... **11.** \_\_\_\_\_
12. Divide line 5 by line 4. Enter the result as a decimal (rounded to at least 3 places). If the result is 1.000 or more, enter 1.000 ..... **12.** \_\_\_\_\_
13. Multiply line 11 by line 12. This is the amount of qualified education expenses allocated to your withdrawals, and is tax free ..... **13.** \_\_\_\_\_
14. Subtract line 13 from line 11. This is the **portion of the withdrawals from this Coverdell ESA in 2003 that you must include in income** ..... **14.** \_\_\_\_\_
15. Subtract line 10 from line 3. This is your **basis in this Coverdell ESA as of December 31, 2003** ..... **15.** \_\_\_\_\_

### Part III. Summary (Complete only once)

16. **Taxable amount.** Add together all amounts on line 14 for all your Coverdell ESAs. **Enter here and include on Form 1040, line 21,** listing the type and amount of income on the dotted line ..... **16.** \_\_\_\_\_

## Coverdell ESA — Taxable Withdrawals and Basis

**Line G.** Enter the total withdrawals received from all Coverdell ESAs during 2003. Do not include amounts rolled over to another ESA within 60 days (only one rollover is allowed during any 12-month period). Also, do not include excess contributions that were distributed with the related earnings (or less any loss) before the first day of the sixth month of the tax year following the year for which the contributions were made.

**Line 2.** Your basis (amount already taxed) in this Coverdell ESA as of December 31, 2002, is:

- All contributions to this Coverdell ESA before 2003
- Minus the tax-free portion of any withdrawals from this Coverdell ESA before 2003.

If your last withdrawal from this Coverdell ESA was before 2002, you must start with the basis in your account as of the end of the last year in which you took a withdrawal. You can find that amount on the last line of the worksheet in the Instructions for Form 8606, *Nondeductible IRAs and Coverdell ESAs*, that you completed for that year. You can determine your basis in this Coverdell ESA as of December 31, 2002, by adding to the basis as of the end of that year any contributions made to that account after the year of the withdrawal and before 2003.

**Line 4.** Enter the total Coverdell ESA withdrawals received in 2003. Do not include amounts rolled over to another Coverdell ESA within 60 days (only one rollover is allowed during any 12-month period).

Also, do not include excess contributions that were withdrawn with the related earnings (or less any loss) before the first day of the sixth month of the tax year following the year of the contributions.

**Line 7.** Enter the total value of this Coverdell ESA as of December 31, 2003, plus any outstanding rollovers contributed to the account after 2002, but before the end of the 60-day rollover period. You should receive a statement by January 31, 2004, for each Coverdell ESA showing the value on December 31, 2003.

A **rollover** is a tax-free withdrawal from one Coverdell ESA that is contributed to another Coverdell ESA. An **outstanding rollover** is any amount withdrawn within 60 days before the end of 2003 (November 2 through December 31) that was rolled over after December 31, 2003, but within the 60-day rollover period.



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# Publication 972

## Child Tax Credit Worksheet

A draft version of the Child Tax Worksheet that will be contained in Publication 972 is shown on pages 42 and 43.

**Before you begin:**

✓ If you received (before offset) an advance child tax credit payment, see *Advance Child Tax Credit Payment* on page 3.



To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2003 and meet the other requirements listed on page 2.

**Part 1**

1. Number of qualifying children: \_\_\_\_\_ × \$1,000. Enter the result.

<b>1</b>	
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2. Enter the amount, if any, of your advance child tax credit (before offset). (For details, see page 3.)

<b>2</b>	
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3. Is line 1 less than or equal to line 2?

☐ **Yes.**

You cannot take this credit. If line 2 is more than line 1, you do not have to pay back the difference.

<b>3</b>	
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☐ **No.** Subtract line 2 from line 1.

4. Enter the amount from Form 1040, line 35, or Form 1040A, line 22.

<b>4</b>	
----------	--

5. **1040 Filers.** Enter the total of any—  
 • Exclusion of income from Puerto Rico, and  
 • Amounts from Form 2555, lines 43 and 48; Form 2555-EZ, line 18; and Form 4563, line 15.

**1040A Filers.** Enter -0-.

<b>5</b>	
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6. Add lines 4 and 5. Enter the total.

<b>6</b>	
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7. Enter the amount shown below for your filing status.

- Married filing jointly - \$110,000
- Single, head of household, or qualifying widow(er) - \$75,000
- Married filing separately - \$55,000

<b>7</b>	
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8. Is the amount on line 6 more than the amount on line 7?

☐ **No.** Leave line 8 blank. Enter -0- on line 9.

☐ **Yes.** Subtract line 7 from line 6.

If the result is not a multiple of \$1,000, increase it to the next multiple of \$1,000 (for example, increase \$425 to \$1,000, increase \$1,025 to \$2,000, etc.).

<b>8</b>	
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9. Multiply the amount on line 8 by 5% (.05). Enter the result.

<b>9</b>	
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10. Is the amount on line 3 more than the amount on line 9?

☐ **No.**

You cannot take the child tax credit on Form 1040, line 49, or Form 1040A, line 33. You also cannot take the additional child tax credit on Form 1040, line 65, or Form 1040A, line 42. Complete the rest of your Form 1040 or 1040A.

☐ **Yes.** Subtract line 9 from line 3. Enter the result.

Go to Part 2 on the next page.

<b>10</b>	
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Part 2

11. Enter the amount from Form 1040, line 43, or Form 1040A, line 28.

11

12. **1040 Filers.** Enter the total of the amounts from lines 44 through 48.

**1040A Filers.** Enter the total of the amounts from lines 29 through 32.

12

13. Are you claiming any of the following credits?

- Adoption credit, Form 8839
- Mortgage interest credit, Form 8396
- District of Columbia first-time homebuyer credit, Form 8859

☐ **No.** Enter the amount from line 12.

☐ **Yes.** Complete the *Line 13 Worksheet* on the next page to figure the amount to enter here.

13

14. Subtract line 13 from line 11. Enter the result.

14

15. Is the amount on line 10 of this worksheet more than the amount on line 14?

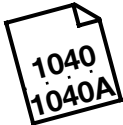
☐ **No.** Enter the amount from line 10.

☐ **Yes.** Enter the amount from line 14. See the **TIP** below.

**This is your  
child tax credit.**

15

Enter this amount on  
Form 1040, line 49, or  
Form 1040A, line 33.



You may be able to take the **additional child tax credit** on Form 1040, line 65, **or** Form 1040A, line 42, only if you answered “Yes” on line 15.

- First, complete your Form 1040 through line 64, or Form 1040A through line 41.
- Then, use Form 8812 to figure any additional child tax credit.